TSE : 2603

長榮海運股份有限公司
EVERGREEN MARINE CORP. (TAIWAN) LTD.

2018 ANNUAL REPORT

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OFFICE

ADDRESS: No.166, Sec. 2, Minsheng East Road, Taipei, Taiwan
PHONE: (886) 2-2505-7766
ADDRESS: No. 163, Sec. 1, Xinnan Rd., Luzhu Dist., Taoyuan, Taiwan.
PHONE: (886) 3-312-3508
Kaohsiung Container Terminal 4 : Pier 116 , Port of Kaohsiung, Qijin Dist., Kaohsiung , Taiwan.
PHONE: (886) 7-571-5171
Kaohsiung Container Terminal 5 : No. 68, Guanghe Rd., Xiaogang Dist., Kaohsiung , Taiwan .
PHONE: (886) 7-813-5171
WEBSITE: www.evergreen-marine.com

STOCK DEPARTMENT

ADDRESS: 2F, No.166, Sec. 2, Minsheng East Road, Taipei, Taiwan
PHONE: (886) 2-2500-1668
WEBSITE: stock.evergreen.com.tw

SPOKESPERSON

NAME: Huey-Chuan, Hsieh
TITLE: President
PHONE: (886) 2-2505-7766
E-Mail: mgt@evergreen-marine.com

VICE-SPOKESPERSON

NAME: Kuang-Hui Wu
TITLE: Chief Executive Vice President
PHONE: (886) 2-2505-7766
E-Mail: public@evergreen-marine.com

AUDIT

AUDITOR: Pricewaterhouse Coopers
ADDRESS: 27th Floor 333 Keelung Road, Sec. 1 Taipei, Taiwan
PHONE: (886) 2-2729-6666
WEBSITE: www.pwc.com/tw

EMC GDRs

SYMBOL: EGMD
EMC global depositary receipts(GDRs) are listed on
LONDON STOCK EXCHANGE.
Related information can be found at:
http://www.londonstockexchange.com

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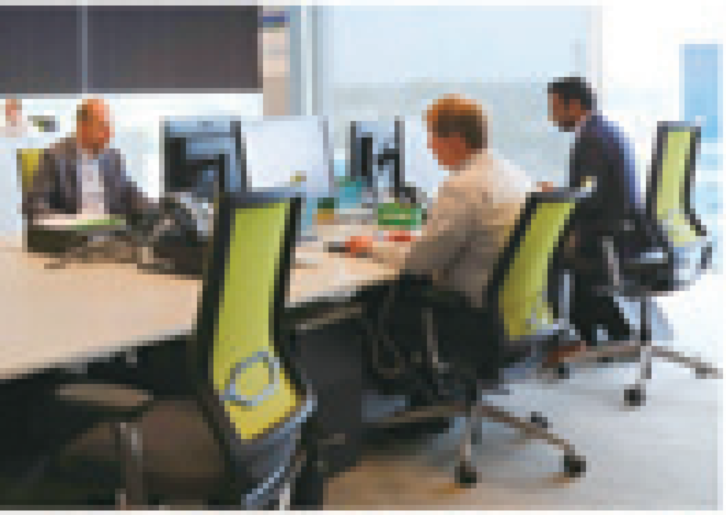

1 Letter to Shareholders

Dear Shareholders,

The world economic situation in 2018 was more complex than that of past years. Whilst the overall economic performance was stable, there has been, however, the rise of trade protectionism and the mounting of tariff barriers (especially the continuous trade war between the United States and other economies) that not only has worsened the environment for international trade development, but also brought significant uncertainty to the outlook of global economy and investment. Basically, the global container shipping market is closely linked to global trade activities, yet the long-lasting Sino-US trade war has caused serious disruptions to the supply chain, investment, and consumption across the world. On the other hand, the geopolitical conflicts continues, resulting in high oil prices and slowing the economies of vulnerable emerging market countries. Meanwhile, the volatile global financial market has threatened the value of currencies and economic growth. High oil prices have also forced a surge in the operating costs of the carriers, and created the biggest challenge to the global container shipping market in 2018.

Despite the challenges of the external operating environment, great team efforts were exerted by all Evergreen employees by exercising the Evergreen spirit of unity, challenge, and innovation. We actively deal with the volatility of the operating environment, such as the safety of the fleet and personnel, ship schedules, wharf operation efficiency, timely cargo transportation data, information system security and customer service operations, which are all maintained at the best level. In addition to a more comprehensive global service network that reduces operating costs, it also provides an improved customer service experience for shippers.

I. 2018 Business Report

1. Container shipping market overview

(1) Cargo volume growth

According to the World Economic Outlook, WEO, published in April 2019 by the International Monetary Fund (IMF), global economic growth is estimated to be about 3.6 % in 2018 which is less than 3.8% in 2017. The major economic regions were doing well


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in economic growth rates, such as 2.9% in the United States, 1.8% in the Euro area, and 6.6% in mainland China. The global demand for container shipping was growing steadily as a result of the sound performance of the global economy. According to the statistical analysis report of Alphaliner, a professional research institute for Maritime Containers, in March 2019, the global container traffic growth of 4.8% in 2018, although lower than that of 2017 (6.7%), it is still above the years before when compared to 2016 (2.7%) and 2015 (1.4%). Compared with 2017, the world's major cargo sourcing areas have performed well in 2018, such as an increase of 7.5% in Southeast Asia, 3.7% in northern Europe, 3.8% in northeast Asia, and 5.3% in North America.

(2) Capacity Supply

According to Alphaliner, published in January 2019, the total global container fleet growth of 5.7% in 2018 (about 22.32 million TEU) was higher than in 2017 (3.7%) and 2016 (1.9%).

New deliveries totaled 165 units at 1.3 million TEU. The new ship orders of 18 thousand TEU and above stand at 45 units, 10 thousand ~18 thousand TEU at 88 units, there are 133 large ships in total with a size of 10 thousand and above, and the total capacity is at 2.187 million TEU, accounting for 80% of the order-yet-undelivered global total capacity. The trend in the market for the new shipbuilding is toward Ultra Large Container Vessels (ULCV).

Idle capacity stood at 628 thousand TEU, 205 vessels, accounting for 2.8% of the global total. This is compared with 117 vessels at the end of 2017, 417 thousand TEU, accounting for 2.0% of the global total.

There were more than 92 ships of 18 thousand TEU in 2018, accounting for 8.1% of the global total, 271 ships of 12.5 thousand ~18 thousand TEU, accounting for 17.1% of the global total, 160 ships of 10 thousand ~12.5 thousand TEU, accounting for 7.7% of the global total, and 10 thousand TEU and above totaling at 523 ships, accounting for 32.9% of the global total.

(3) Freight Market Status

Despite gradual recovery of the global economy in 2018, geopolitical risks and the uncertainty created by trade protectionism have also severely damaged the normal growth of global supply chains,


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and consequently decreased world trade. Due to overcapacity, market freight rate remains at a lower level, and unfortunately much higher fuel prices increased carrier operation costs. According to Alphaliner, the average profit rate of the industry in Q1 was -3.1% (-1.2% in 2017), Q2 was -3.8% (3.0% in 2017), and Q3 was 0.6% (5.3% in 2017). Affected by the Sino-US Tariff trade war, market space demand had increased, the average profits increased to 1.2% in Q4 (1.0% in 2017).

2. Company Operational Strategy

In response to the rapid changes in the operating environment, the company timely adjusted its operating strategy to strengthen the company's core competitiveness. The operating strategy is summarized as follows:

(1) Continue to strengthen OCEAN Alliance cooperation and develop new service networks

(2) Outstretching various strategic fleets of ships to enhance the competitiveness of each route

(3) Upgrading the environmental protection equipment of ships in response to the provisions of international regulations

(4) Control all cost items systematically and optimize the ship development in every trade lane

(5) Actively develop e-commerce to enrich the customer service experience

3. Annual Accounts & Profitability Analysis

(1) Annual Accounts

In 2018, actual consolidated operating income totaled NT$169.24 billion, an increase of NT$18.65 billion compared to the NT$150.58 billion in 2017. In 2018, actual consolidated operating costs were NT$161.77 billion, which represents an increase by NT$22.08 billion compared to the NT$139.69 billion in 2017.

(2) Profitability Analysis

ROA: 0.74 %

ROE: 0.11 %

Net Profit Margin: 0.05 %

EPS: NTD 0.07 per share


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4. Research & Development

(1) Green Fleet

Evergreen commits to pollution prevention, energy conservation, and greenhouse gas reduction, and to protect our planet in accordance with international environmental protection conventions and environmental protection regulations. We have strict standards and operational procedures for all environmental protection and pollution prevention and control of ships sailing at sea, and we will use the latest technology as soon as it is available so as to minimize the impact of container shipping operations both on marine life, on port communities, and on humanity worldwide.

Providing quality services to safely deliver goods to the port of destination and take into account environmental protection, energy conservation, and reducing greenhouse gas emissions and air pollution have always been the principles and endeavor of Evergreen. The Shipbuilding Dept. is responsible for the design of new ships. New ship designs incorporate the latest international laws and conventions. The Evergreen philosophy of green ships means advanced marine technology is used to optimize each ship type in order to maximize returns and satisfy energy conservation targets.

Twenty units of 2,800 TEU B-type vessels with a main engine using electronic fuel injection produce 20% less NOx emissions than conventional engines, which complies with the 2015 Energy Efficiency Design Index (EEDI) and Tier II NOx emission standards set by the IMO. B-type shipbuilding plans should be completed and delivered by the second half of 2019. The ten Gen 3 B-type ships under construction with CSBC Taiwan are equipped with the latest sword bow developed by the shipyard. The bow can handle different drafts and speeds while effectively reducing wave resistance and drag when the ship is in motion to optimize ship speed and engine performance. Fuel efficiency is improved by 10% compared to the conventional bulbous bow.

The “Environmental Guardians” page on our website has been constantly maintained so as to proactively share our management of emissions and treatment of ballast and sludge. There are details for the latest environmental protection designs of S-type, L-type and B-type vessels and other green instruments for the easy reference for our customers.


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(2) Maritime Training

Evergreen upholds the spirit and vision of sustainable development. It is committed to professional maritime training and onward. The Evergreen Seafarer Training Center has a full range of training equipment and rigorous, well planned training courses to continuously improve professional knowledge and skills, and to prevent maritime accidents and environmental pollution.

(a) In 2018, the Evergreen Seafarer Training Center organized a total of 26 categories and 224 professional training courses, training up to 1,639 participants.

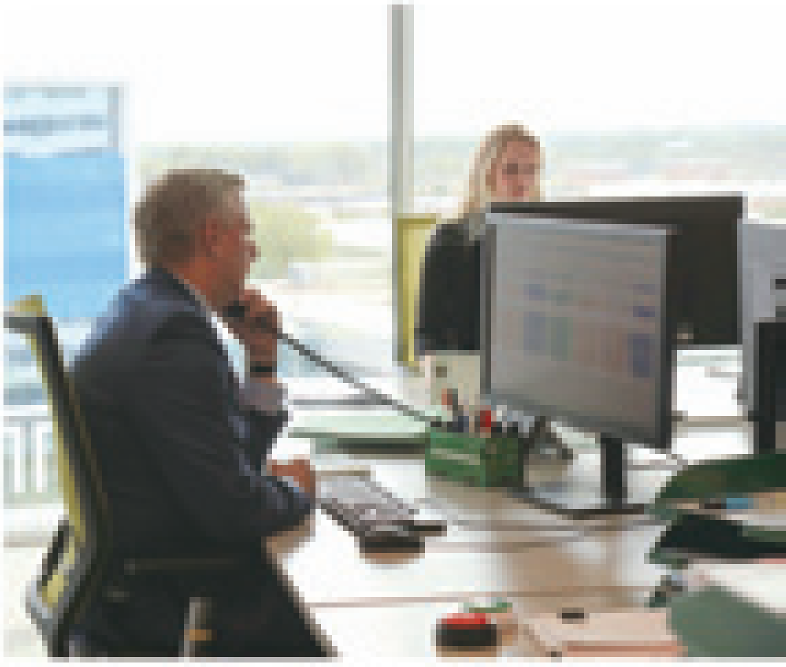
(b) In January 2018, the Maritime and Coastguard Agency of the United Kingdom (MCA) re-approved the "Human Element Leadership and Management (Management Levels)", "Human Element Leadership and Management (Operational Levels)" as specified in the 2010 amendment to the STCW (International Convention on Standards Of Training, Certification and Watchkeeping for Seafarers) "Ship's Cook MLC, 2006 Regulation 3.2.3", and other training courses.

(c) In June 2018, the HK MARDEP (Hong Kong Marine Department) re-approved the Evergreen Seafarer Training Center for offering training on the course specifications of STCW (International Convention on Standards of Training, Certification and Watchkeeping for Seafarers) 2010 Manila amendments.

(d) To expand the cultivation of maritime professionals, Evergreen has been stepping up the cooperation with National Taiwan Ocean University and National Kaohsiung University of Science and Technology. Starting from the post-bachelor program of maritime transportation and Engineering for cultivating respective professional knowledge and skill, Evergreen also offers the opportunity to non-maritime undergraduate to engage in maritime work. Evergreen has also been subsidizing the total tuition and part of the accommodation of qualified students, who will be awarded with an internship onboard the Evergreen fleet. Vacancies will be offered to cadets with excellent performance.

(3) E-Commerce

Evergreen introduced the paperless Bill of Lading (B/L) and dispatch documentation via its ShipmentLink digital portal, enhancing connectivity for exporters and importers with banks, insurers,

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regulators, and customs and port authorities. Evergreen is the first container carrier to integrate with Bolero's proven electronic Bill of Lading (eBL) solution.

In line with its avowed mission to deliver the highest standards of customer service through continual improvement, Evergreen has introduced two new Intelligent Services - the intelligent i-B/L (Bill of Lading) and i-Dispatch, a solution that delivers documents associated with such transactions.

The advantages of this new integration for Evergreen's container shippers start with the rapid issuance and transmission of the i-B/L. This is helpful in all cases but particularly for short-sea shipments when a paper Bill of Lading can sometimes arrive later than the vessel, making it difficult for importers to pick up cargo on a timely basis.

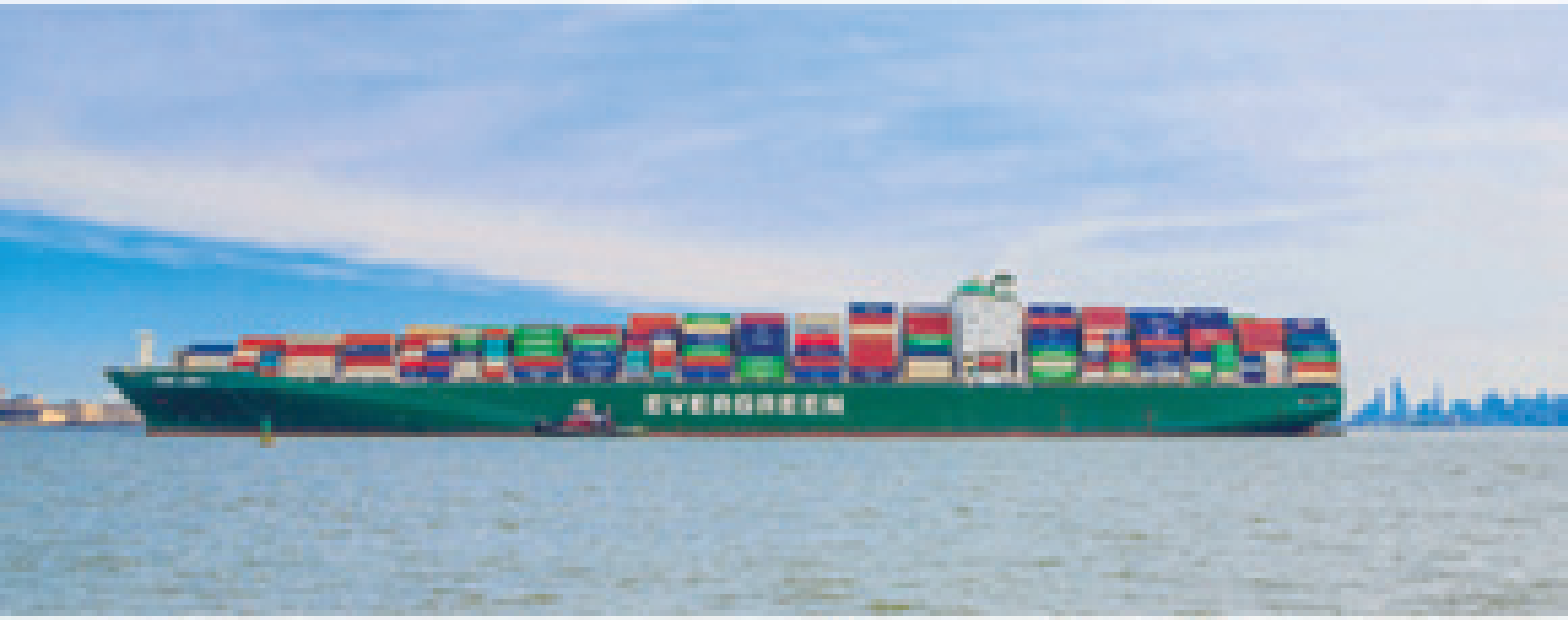
However the advantages of i-B/L do not end there. The paperless environment allows reviews and alterations to be undertaken online and speeds up cash-flow by avoiding the delays associated with traditional documents. Carriers can release goods and banks can release payment to shippers far more quickly.

Evergreen is pleased therefore to add i-B/L and i-Dispatch to its existing suite of electronic functions, including shipment booking and tracking, for the use of customers via Evergreen ShipmentLink. Our partnership with Bolero, introducing new digital functionality, marks the expansion of the established online portal into high-volume container trades.

Evergreen is committed to offer a high-quality and reliable shipping information system, to provide customers an efficient, safe, and reliable e-commerce digital platform to assist all parties in the trade lane to reduce costs and improve operational efficiency. Evergreen's e-commerce platform also has a number of functions such as schedule inquiry, container dynamic tracking, bill of lading management, volume analysis, electronic data transmission exchange, total container weight verification declarations, and so on.

(4) Quality Recognition

Evergreen has been constantly improving the quality of service, in addition to continuing to win the trust and affirmation from customers, but also sustained affirmation and certification from international media and organizations: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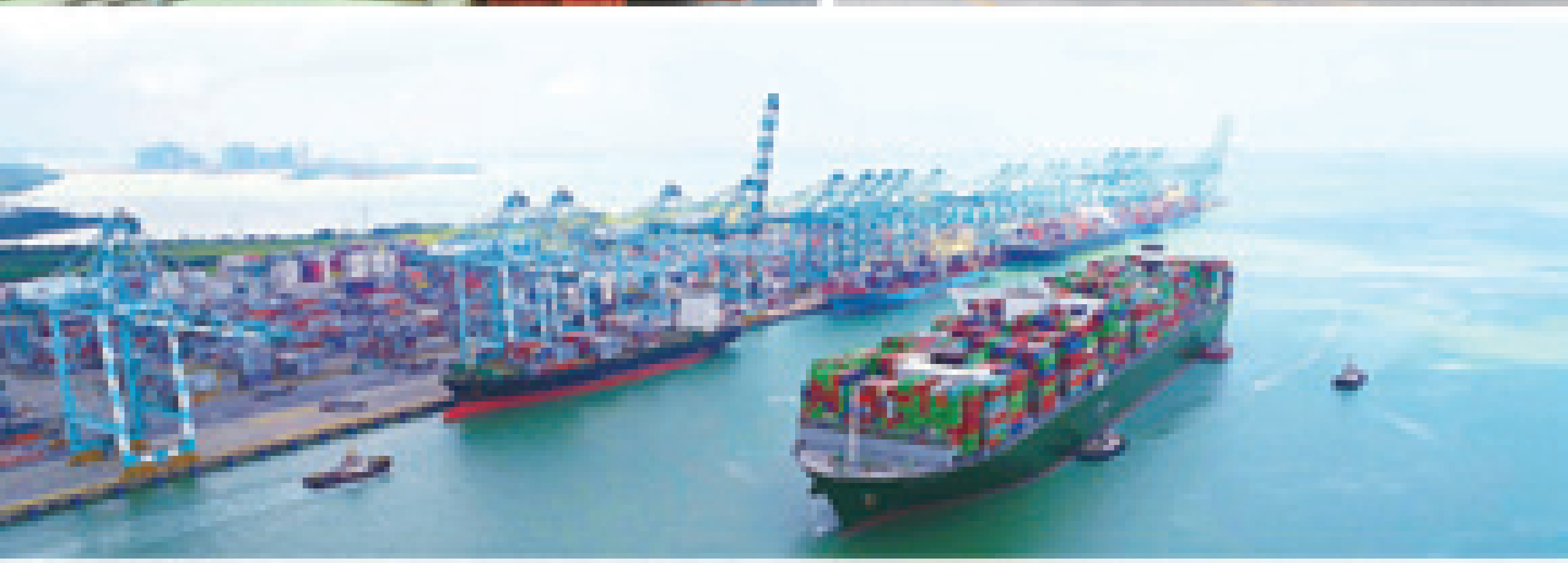


- LOG-NET E-Commerce Excellence Award for 2017
- The Port Authority of NY & NJ - Green Ship Award 2018
- Port of Vancouver – 2017 Blue Circle Award
- New Jersey Smart Workplaces - Gold Award 2017
- Santa Barbara Region Vessel Reduction Incentive Program - Protecting Blue Whales and Blue Skies Recognized Evergreen vessels
- Dollar Tree/Family Dollar - 2017 Ocean Carrier of the Year
- Home Depot - Ocean Carrier of the Year 2017

II. 2019 Business Plan

According to the Alphaliner forecast, global capacity will increase by 3.1%, while demand for growth will increase at 3.6% in 2019. However, in the context of tariff wars, trade protectionism, embargo sanctions, the fragility of emerging-market currencies, uncertainty about the outlook for Brexit, and uncertain factors such as fuel prices, the global container transport market still faces considerable challenges.

1. Business Strategy

(1) Continuously strengthen the alliance collaboration -Full utilization of the core network

The OCEAN Alliance was kicked off officially in April 2017, which comprises the French CMA CGM, China Ocean (COSCO), Hong Kong Orient Overseas (OOCL), and Evergreen. It has 41 service routes, 330 vessels, and a total operating capacity of nearly 3.34 million TEU, making it the largest among world's three major shipping alliances. In 2018, it had 42 service routes, 338 vessels, and a total operating capacity of nearly 3.71 million. In 2019, it is planned to continue its cooperation to provide 39 service routes, 330 vessels, and a total operating capacity of nearly 3.88 million TEU to better serve customers' needs.

(2) Accelerated Fleet upgrade Plan

Proactively upgrading green ship features to fulfill policy and efficiency by ordering ships ranging from 1,800 TEU, 2,500 TEU, 2,800 TEU, 12,000 TEU, and 20,000 TEU, deploying most competitive vessels into the relevant routes, fully taking advantage of the Alliance network, and adjusting capacity timely to reduce the cost of transshipment. At the same time, the introduction of big data software to analyze the ship's data for the latest weather navigation information to save fuel costs and improve the safety of navigation.

2. Industry Outlook

(1) Capacity Supply

According to Alphaliner , the global fleet will be 23.02 million TEU in 2019, an increase of 3.1% over 2018. It is expected that 161 new ships at 987 thousand TEU will be added in 2019.

(2) The Growth of Cargo Volume

Drewry, a British maritime consultancy, forecast the global volume of goods is estimated to be 810 million TEU in 2019, an increase of 31 million TEU over 2018 and growth of about 3.9% compared with 779 million TEU. Alphaliner also indicated a growth of 3.6% in 2019.

3. External competitive environment, regulatory environment and overall operating environment

(1) External competitive environment

Marine fuel prices continued to rise in 2018, with Brent crude rising from an average of $54 per barrel in 2017 to $71, increased by 17 dollars per barrel, or 31%. Fuel prices continued to climb in 2018, creating a heavy cost burden on carriers.

(2) Regulatory Impactt

a. On January 1, 2019, emission control areas in the Mainland's territorial waters and the international commercial port area of the Republic of China (Taiwan) were mandated to use fuel oil with a sulfur content <0.5% m/m.

b. The MEPC decided that after January 1, 2020, in addition to the other areas of the world except the Emission Control Area (using 0.1% m/m sulfur content), the maximum sulfur content of marine fuel shall not exceed 0.5% m/m.

c. The annual emissions of CO_2 from maritime transport account for about 2.8% of global greenhouse gas emissions. The IMO proposes to incorporate increasing marine emissions into greenhouse gas emission reduction policies, and implement new energy efficiency design indicators at the 72nd meeting of MEPC. (EEDI) requirements to reduce carbon emissions. The CO_2 emission rate of ships targeting international routes in 2030 is set to be at least 40% lower than the 2008 figure and is expected to be reduced to 70% by 2050. The total emissions, the total greenhouse gas emissions in 2050 need to be reduced by 50% compared to the 2008 value.

The MEPC (Marine Environmental Protection Committee) approved the Global

Ship Fuel Consumption Data Collection at its 69th session and revised the MARPOL Convention Annex VI, which is the global ship fuel consumption data collection. The information collected since 2019 will be reported to the flag State after the end of each year. After verifying the data, the flag State will issue a Declaration of Conformity to the vessel and submit the data to the IMO Ship Fuel Consumption Database.

(3) Macro Business Environment

The global economy was affected deeply by trade protectionism, tariff wars, embargo sanctions, Brexit disputes, and uncertainties such as high oil prices, which seriously disrupted the normal operations of global supply chains, and made it more difficult for companies to plan their investments and increase the negative impact of their areas. Fortunately, the global container operators in the past few years have carried out a series of industrial integrations, and the marine industry went into a stable stage toward healthy development. On the other side, with IMO2020, low-sulfur fuel regulations will be implemented soon, the new rules will push carriers to accelerate the elimination of old ships, and the market supply and demand is increasingly balanced.

4. Future strategy

While the global economy is likely to weaken in 2019 due to the trade war between China and the United States, the IMF still predicts a global growth rate of 3.3% percent in 2019, less than 3.6% in 2018, still showing that global economic momentum can remain at a certain level. The global economic growth is expected to recover in the second half of the year, reaching 3.6% in 2020. Although the future market changes are difficult to predict, we continue to carry out fleet upgrading, better control in costs and expenses, expanding market share, and full utilization of the space under the operation of the Alliance to enhance the efficiency. All employees of the company will also go the extra mile in implementing cost reduction policies, offering better service quality, and generating more profits in order to achieve our goals.

2 Company Profile

I. Registration Date of the Company: September 25, 1968

II. A Chronology of Evergreen Marine Corporation (Taiwan) Ltd.

1968-1976

- Established with capital of NT$2 million.
- Evergreen Shipping Agency (Japan) Corporation founded.
- Evergreen Shipping Agency (America) Corporation founded.

1977-1986

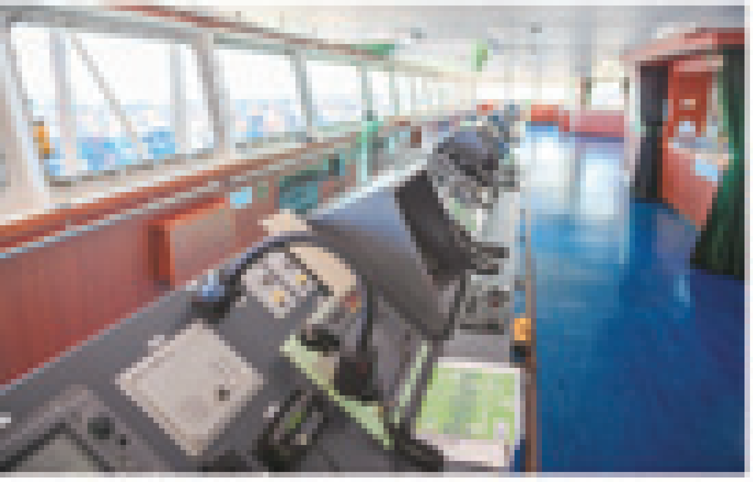
- Evergreen Marine (UK) Limited founded.
- Launching of unprecedented round-the-world eastbound services and westbound regular full container services and construction of 24 G-type container vessels.
- Evergreen Shipping Agency (Deutschland) GmbH founded.

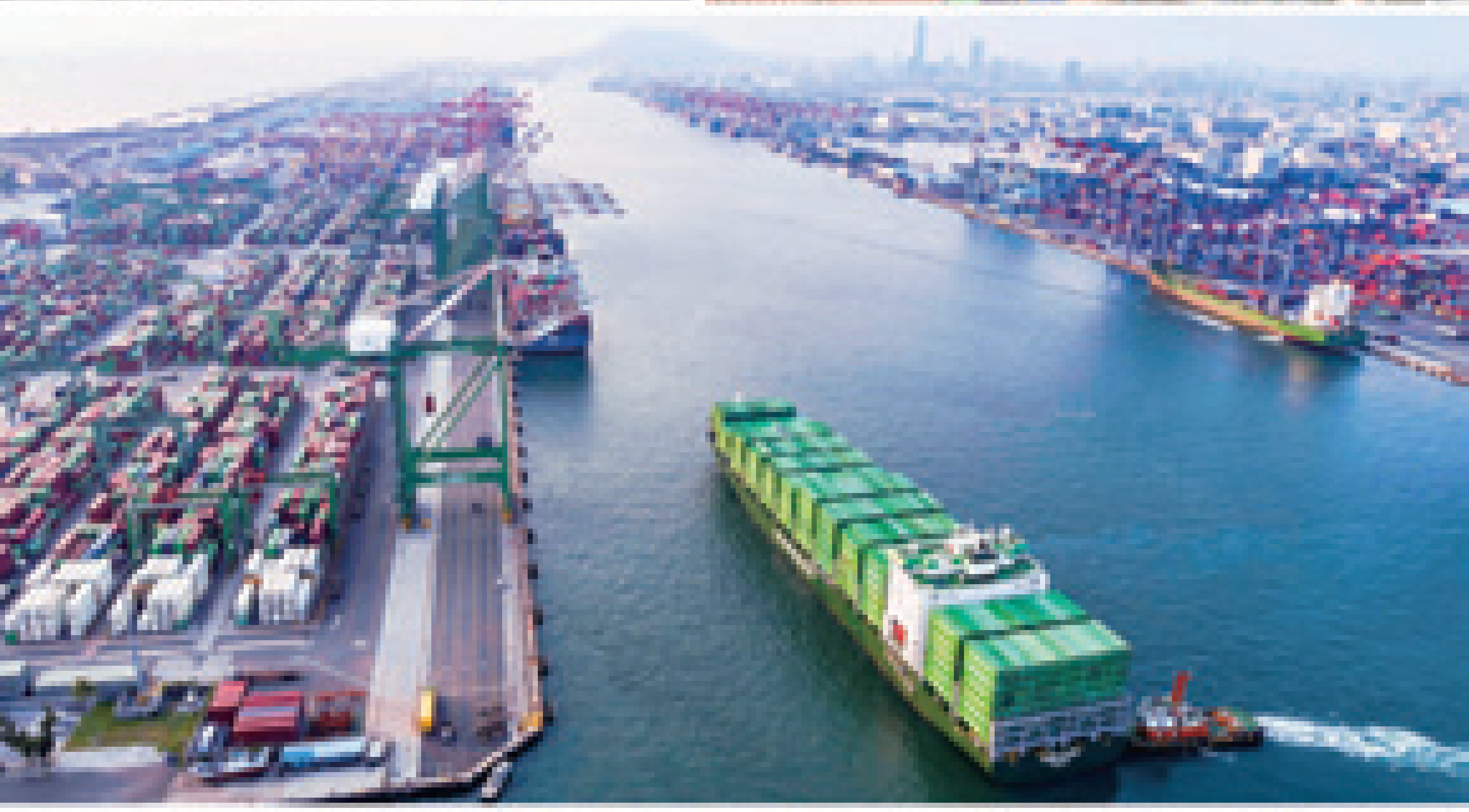
1987-1996

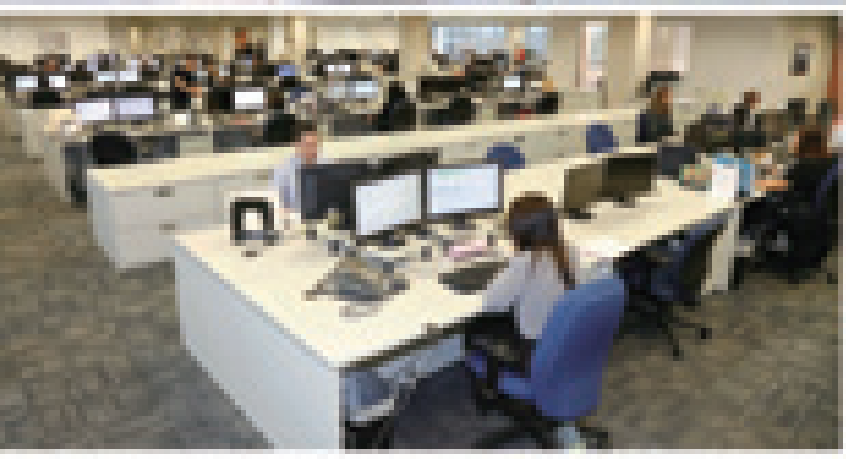
- Listed on the Taiwan Stock Exchange with capital of NT$10 billion. (Stock Code: 2603)
- Launching of the Far East/US West Coast refrigerated container service.
- Evergreen Marine (Hong Kong) Ltd. founded.
- Issuance of Global Depository Receipts of a total value of US$115 million on the London Stock Exchange.

1997-2001

- Evergreen Shipping Agency Philippines Corporation founded.
- Colon Container Terminal S.A. in Panama becomes fully operational as a common user facility.
- Evergreen Shipping Agency (Poland) SP.Z.O.O. founded.
- Evergreen Container Terminal NO 5, Berths 79, 80 and 81 in Kaohsiung Port becomes fully operational and Taiwan's Customs authorities approved the implementation of an "overall self-management" system to improve and upgrade Evergreen's services to shippers.
- Evergreen Shipping Agency (France) S.A.S. founded.
- Evergreen Shipping Agency (Korea) Corporation founded.
- Evergreen Marine Corp. (Malaysia) Sdn. Bhd. founded.
- Evergreen Shipping Agency (Netherlands) B.V. founded.







- Evergreen Shipping Agency (Thailand) Co., Ltd. founded.
- Evergreen Marine (Singapore) Pte Ltd. founded.
- Taranto Container Terminal in the south of Italy, with Evergreen Group as one of the investors, opened for business with a comprehensive feeder network serving other Italian ports, the western and eastern Mediterranean, the Adriatic Sea and the Black Sea.
- The Evergreen Seafarer Training Center is awarded ISO-9001:2000 for quality systems, marine simulator equipment, and training centers by DNV. The training center, an Evergreen Group investment opened in 1999, aims to boost the professional skills of the Group crew, reduce the risk of accidents and environmental pollution at sea and conform to international regulations.
- Chang Yang Development Co., Ltd. is established as a joint venture with Tesco Taiwan for investment and construction of the Tesco Chingkuo Store in Taoyuan City.

2002-2006

- Evergreen Shipping Agency (Australia) Pty. Ltd. founded.
- Certified for “Safety, Quality & Environmental Management” by the American Bureau of Shipping.
- PT. Evergreen Shipping Agency Indonesia founded.
- Evergreen Shipping Agency (Vietnam) Corporation founded.
- The Evergreen Seafarer Training Center is awarded an Occupational Training Institution certificate by the Council of Labor Affairs of the Executive Yuan.
- Investment in Taipei Port Container Terminal Corp.
- Evergreen Group orders ten S-series container vessels from Mitsubishi Heavy Industries Ltd.
- Evergreen Shipping Agency (India) Private Ltd founded.
- Inauguration of a new state-of-the-art Pierce County Container Terminal at the Port of Tacoma, invested in by Evergreen Group.
- Evergreen Shipping Agency (Italy) S.P.A. founded.

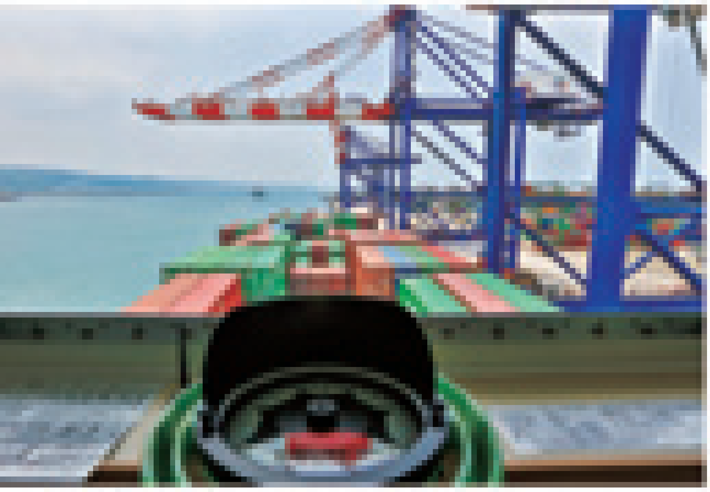
2007-2011

- Evergreen Shipping Spain, S.L. founded.
- Evergreen Shipping Sweden founded.
- Evergreen Shipping South Africa founded.
- Evergreen Group ordered twenty L-series container vessels from Samsung Heavy Industries.

2012-2016

- Launching of “ShipmentLink Mobile”, an e-commerce app for handheld devices.
- Honored with the AEO certificate by Customs Administration

- Launching of West Coast of Central America (WCA) service with X-Press.
- Evergreen Seafarer Training Center passes Class NK Certification.
- Launching of South China–Philippines–East Malaysia (CPM) service.
- Launching of China–Pacific South West (CPS2) service.
- Launching of China–Australia–Taiwan (CAT) service.
- Launching of New Ho Chi Minh (NHS) service.
- Evergreen Line signs agreements with Costamare and Shoei Kisen Kaisha for the lease of five 14,000 TEU container ships each.
- Evergreen teams up with COSCO, K Line, Yang Ming and Hanjin to establish the CKYHE Alliance.
- Ever Living, Evergreen's first L type container ship built by CSBC is selected as "Ship of the Year" by the Taiwan Society Naval Architects and Marine Engineers.
- Evergreen Group signs time charter agreements with Shoei Kisen Kaisha in January to charter eleven 20,000 TEU vessels, including six units chartered by Evergreen Marine Corp. (EMC) and its subsidiary.
- Evergreen Line launches a new Taiwan–Shekou–Malacca Strait service (TSS) in March and introduces a dedicated Taiwan – Hong Kong service (THK). GHG emissions generated by land transport are reduced through a "Blue Highway" for containers in Northern, Central, and Southern Taiwan.
- Evergreen Line launches its new Vietnam-Singapore-Malaysia service (VSM) in May.
- Evergreen Group signs an agreement with CSBC Corporation in July to build ten 2,800 TEU B-type vessels.
- Evergreen Group signs an agreement with Japanese shipbuilder Imabari in September for another ten 2,800 TEU B-type vessels.
- Evergreen Group's Colon Container Terminal, S.A. (CCT) completes construction of its Berth No. 4 in December. The facility can accommodate large container ships of up to 14,000 TEU.
- Evergreen Line signs a Memorandum of Understanding with CMA CGM, COSCO Container Lines and OOCL to form the OCEAN Alliance, which will provide a comprehensive service network covering Asia-Europe, Asia-Mediterranean, Asia-Red Sea, Asia-Middle East, Trans-Pacific, Asia-North America East Coast, and Trans-Atlantic trade routes. Subject to regulatory approval of the competent authority, the new Alliance plans to begin operations in April 2017.
- In order to train more marine professionals, Evergreen Marine Corporation concludes a cooperation agreement with National Kaohsiung Marine University, offering marine technology classes for students who have not studied in this realm before.
- Evergreen Line named "Best Shipping Line – Trans-Pacific" by Asia Cargo News at the 2016 Asian Freight, Logistics and Supply Chain

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Awards (AFLAS).

- Evergreen's 8,000 TEU vessel passes through the expanded Panama Canal in July. In light of the business opportunities offered by the expansion of the Canal, Evergreen has upgraded the size of ships utilized for Far East – US East Coast services.
- In a move designed to significantly enhance China-Indian Subcontinent trade, Evergreen Line teams up with Wan Hai, COSCO, "K" Line and PIL to offer two joint services.
- In response to the reorganization of Hanjin (a CKYHE alliance member), Evergreen Line has added new functions to its on-line e-commerce system, offering customers real time cargo status updates, and providing detailed service plans within its own networks as an effective substitute to cover the services impacted by Hanjin.
- Evergreen Line works with COSCO in operating a joint Adriatic – Israel service, providing direct and rapid service to customers.
- Evergreen teams up with YML, OOCL, MOL & "K" Line to offer a new joint North East Asia – Australia Express.
- Evergreen Line and OCEAN Alliance partners sign a document entitled "the Day One Product" that sets out the proposed OCEAN Alliance's network, including port rotation for each service loop.

2017

- For an unprecedented third consecutive year, Evergreen Line receives the E-Commerce Excellence Award from LOG-NET, a leading information systems integrator of ocean carriers and customers, striving to create efficient information system and reliable service chain, Evergreen continues to pursue growth and success for our valued customers.
- For the cultivation of maritime talents and sustainable development of the local shipping industry, Evergreen steams up with National Taiwan Ocean University to provide a special seafarer training program. The 18-month program is designed to offer professional engineering classes to those who have a bachelor's degree and passion for ship maintenance but lack a background in mechanical engineering departments of maritime colleagues.
- Evergreen is recognized for corporate governance excellence for the third consecutive year.
- Rolls out online price inquiry and booking platform with Alibaba.com to offer guaranteed and more convenient sea freight services by relying on the Evergreen Professional Logistics and Supply Chain Management.
- Evergreen Line is named "Best Shipping Line – Asia-Africa" by Asia Cargo News at the 2017 Asian Freight, Logistics and Supply Chain Awards (AFLAS).
- OCEAN Alliance officially commences operations, with service

networks covering Asia-Europe/Mediterranean, Trans-Pacific, Asia-North America East Coast, Trans-Atlantic trades and Far East-Middle East trades.

- Evergreen Shipping Agency (Deutschland) Gmbh renamed to Evergreen Shipping Agency (Europe) Gmbh, and merger of Evergreen shipping agencies in the Netherlands, Belgium, France, Poland, Switzerland and Austria as branch offices.
- Evergreen and its subsidiary, Peony Investment S.A. acquired 80% shares of Evergreen Marine (Hong Kong) Ltd.

2018

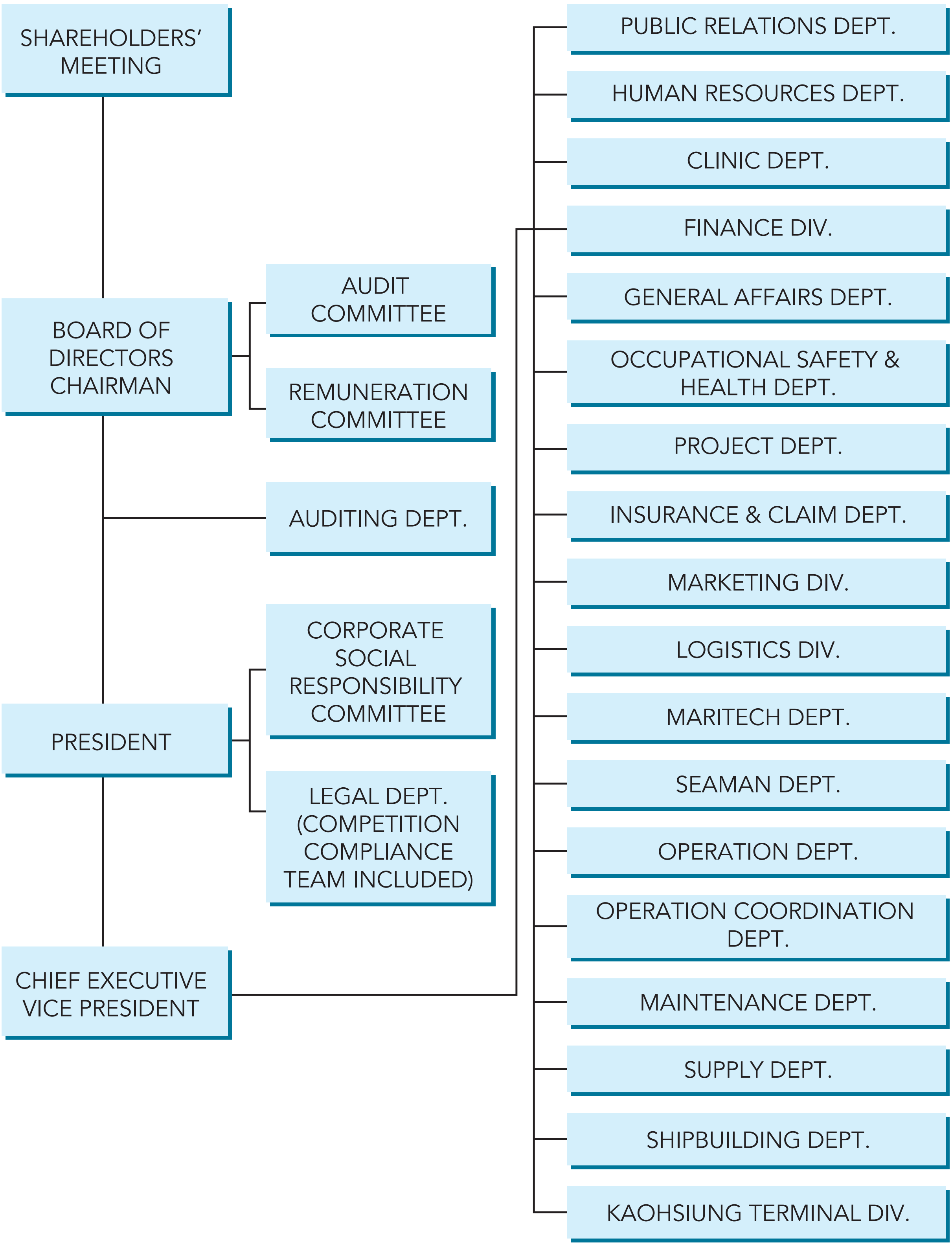
- Evergreen Line signed an agreement with Samsung Heavy Industries and Shoei Kisen Kaisha, Ltd. to order eight and charter twelve 12,000 TEU container ships, total twenty ships.
- Introducing paperless Bill of Lading and dispatch documentation via ShipmentLink digital portal, Evergreen partners with Bolero International to provide advanced e-commerce solution.
- Evergreen Shipping Services (Cambodia) Company Limited founded.
- Evergreen Line received the E-Commerce Excellence Award from LOG-NET for the fourth time. Striving to create efficient information system and reliable service chain, Evergreen continues to work for the growth and success of our valued customers.
- Evergreen teams up with National Taiwan Ocean University again to provide a special seafarer training program.
- Acquire and merge Hatsu Marine (Hong Kong) Ltd.
- Evergreen Shipping Agency (Peru) S.A.C. founded.
- Evergreen Shipping Agency (Chile) SPA founded.
- Evergreen Shipping Agency Mexico S.A.DE C.V. founded.
- Order four 2,500 TEU, charter ten 2,500 TEU and twenty four 1,800 TEU container vessels.

2019

- Evergreen Shipping Agency (Colombia) S.A.S. founded.
- Announce to extend OCEAN Alliance agreement to 10 years until 2027, providing unmatched service offering to customers.

I. Organization

1. Organizational Chart



2. Major Corporate Functions

(1) According to the company's articles of association, there are seven to nine directors (including three independent directors) who are elected by the shareholders' meeting according to law, and whose term of office is three years. The directors organize the Board of Directors and are responsible for the resolution of the company's business. The matter is attended by more than two-thirds of the directors and more than half of the directors' consent. One person is elected as the chairman and another is the vice chairman. The chairman of the board represents the company in all aspects of business. In order to improve corporate governance and strengthen the functions of the Board of Directors, the Board of Directors has an "Audit Committee" consisting of all independent directors. The number of the directors shall not be less than three, one of whom shall be the convener and at least one shall have accounting or financial expertise. In addition, according to the "Remuneration Committee Charter" of the Company, the Remuneration Committee is under the Board of Directors. The members of the Committee shall not be less than three, one of whom is the convener, and all members shall be appointed by the Board of Directors.

(2) The company has set up a general manager, and the appointment and dismissal are approved by more than half of the Board of Directors. The general manager must have a number of deputy general managers and other managers.

(3) Chief Executive Vice President: Assists the top management with monitoring and achieving goals for businesses and operations.

(4) Corporate Social Responsibility Committee: The President, serving as the Chairperson of the Committee, is responsible for the formulation of CSR policies. Promote the implementation of CSR, and supervise all departments to achieve the long-term and short-term goals set by the Company.

(5) Auditing Dept: Internal audit, inspection and review of the internal control system to enhance effectiveness in operation.

(6) Legal Dept (Competition Compliance Team included): Corporate legal affairs including contracts and litigation. Establish the company’s regulatory compliances, provide training and ensure compliance with competition regulations.

(7) Public Relations Dept: Promote and protect the company’s image and its products. Create and disseminate press releases.

(8) Human Resources Dept: Human resources management, talent recruitment and retention, employees’ training and organizational development.

(9) Clinic Dept: Regular physical exams, health services and health management including the provision of suitable health advice and fitness of work for both sea and land crew.

(10) Finance Div: Corporate finance and accounting, agency account assessment, and investor relations.

(11) General Affairs Dept: General affairs, equipment maintenance and staff canteen.

(12) Occupational Safety & Health Dept: Occupational safety and health management and supervision.

(13) Project Dept: Monitor global business strategy and performance, alliances, chartered vessels, fleet deployment, agency management, IT integration and industry research.

(14) Insurance & Claim Dept: Handle marine incidents and settlement of insurance claims, vessel insurance planning, and provide legal counseling on marine insurance.

(15) Marketing Div: Establish pricing guidelines and space control for all services.

(16) Logistics Div: Deployment of empty global containers, management of terminal contracts, planning of inland transportation and container-related affairs.

(17) Maritech Dept: Vessel audit, marine navigation, engine technology enhancement, and vessel energy efficiency management.

(18) Seaman Dept: Seaman human resources management, recruitment, dispatching, and Evergreen Seafarer Training Center affairs.

(19) Operation Dept: Global short term sailing schedule, port cargo handling, examination of out of gauge and dangerous cargoes.

(20) Operation Coordination Dept: Global long term sailing schedule, fleet fuel consumption monitor and analysis, terminal/depot contract review and owned terminal operation management.

(21) Maintenance Dept: Supervise vessel maintenance and repair operation, maintenance system management, and equipment conversion projects.

(22) Supply Dept: Vessel supplies arrangement and management, vessel fuel and lubricating oil procurement and monitor.

(23) Shipbuilding Dept: Shipbuilding planning, on-site supervising, vessel type development and research, and related projects.

(24) Kaohsiung Terminal Div: Terminal operation, machinery and equipment maintenance.

II. Directors and Management Team

1. Directors

APR. 23, 2019

Title	Name	Gender	Natio-nality	Date First Elected	Date Elected	Term	Shareholding When Elected		Current Shareholding		Spouses & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Other Position	Executives, Directors or Supervisors who are Spouses or Within Two Degress of Kinship		
							Shares	(%) (Note 1)	Shares	(%) (Note 2)	Shares	(%) (Note 2)	Shares	(%) (Note 2)			Title	Name	Relation
Chairman	Evergreen Steel Corp.	-	R.O.C.	06.18.2014	06.22.2017	3 Years	30,075,742	0.856	38,261,703	0.848	-		0	0.000	-	-	-		
	Representative: Chang, Cheng-Yung	Male	R.O.C.	01.01.2011	06.22.2017	3 Years	0	0.000	0	0.000	0	0.000	0	0.000	President, Evergreen Marine Corporation (Taiwan) Ltd. Bachelor of Business Administration Department of Chinese Culture University	Vice Chairman: Charng Yang Development Corp. Director: Taipei Port Container Terminal Corp. Director and Manager: Greencompass Marine S.A., Gaining Enterprise S.A.	-	-	-
Director	Chang Yung-Fa Charity Foundation	-	R.O.C.	06.24.2011	06.22.2017	3 Years	28,940,403	0.824	34,482,423	0.764	-		0	0.000	-	-	-		
	Representative: Chang, Kuo-Hua	Male	R.O.C.	09.02.1976 (Note 3)	06.22.2017	3 Years	0	0.000	319,646,157	7.083	47,176,327	1.045	0	0.000	Vice Chairman, Evergreen Marine Corp. (Taiwan) Ltd. Taipei College of Maritime Technology in Marine Engineering	Director: Evergreen International Storage & Transport Corp., Evergreen International Corp., Evergreen Steel Corp., Ever Reward Logistics Corp., Evergreen Marine (Hong Kong) Ltd., Evergreen Shipping Agency (America) Corp., Evergreen Laurel Hotel (M) SDN. BHD. Director and Manager: Evergreen International S.A., Colon Container Terminal S.A.	Director	Chang, Kuo-Ming	Brothers

Title	Name	Gender	Natio-nality	Date First Elected	Date Elected	Term	Shareholding When Elected		Current Shareholding		Spouses & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Other Position	Executives, Directors or Supervisors who are Spouses or Within Two Degress of Kinship		
							Shares	(%) (Note 1)	Shares	(%) (Note 2)	Shares	(%) (Note 2)	Shares	(%) (Note 2)			Title	Name	Relation
	Representative: Chang, Kuo-Ming	Male	R.O.C.	06.22.2017	06.22.2017	3 Years	0	0.000	116,861,569	2.589	39,367,531	0.872	0	0.000	Director, Evergreen International Corp. Bachelor of Science in Electrical Engineering, University of Southern California	Director: Central Reinsurance Corp., Evergreen International S.A.	Director	Chang, Kuo-Hua	Brothers
Director	Evergreen International S.A.	-	Panama	03.25.1988 (Note 4)	06.22.2017	3 Years	373,130,301	10.623	391,786,816	8.681	-		0	0.000	-	-	-		
	Representative: Ko, Lee-Ching	Female	R.O.C.	06.12.1982 (Note 5)	06.22.2017	3 Years	0	0.000	92,563	0.002	0	0.000	0	0.000	Vice Group Chairman, Evergreen Group. Keelung Girls' Senior High School	Chairman: Evergreen International Corp. Director: EVA Airways Corp., Evergreen International Storage &Transport Corp., Taiwan High Speed Rail Corp., Evergreen Steel Corp., Evergreen Security Corp., Shun An Enterprise Corp., Charng Yang Development Corp., Evergreen Marine (Singapore) Pte. Ltd. Director and Manager: Evergreen International S.A., Greencompass Marine S.A., Gaining Enterprise S.A. Supervisor: Ever Reward Logistics Corp., Evergreen Air Cargo Services Corp., Evergreen Airline Services Corp., Hsin Yung Enterprise Corp., Ever Ecove Corp.	-	-	-

Title	Name	Gender	Natio-nality	Date First Elected	Date Elected	Term	Shareholding When Elected		Current Shareholding		Spouses & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Other Position	Executives, Directors or Supervisors who are Spouses or Within Two Degress of Kinship		
							Shares	(%) (Note 1)	Shares	(%) (Note 2)	Shares	(%) (Note 2)	Shares	(%) (Note 2)			Title	Name	Relation
	Representative: Hsieh, Huey-Chuan	Male	R.O.C.	03.18.2016	04.15.2019	1.2 Years	0	0.000	139,752	0.003	0	0.000	0	0.000	Vice Chairman, Italia Marittima S.p.A. Bachelor of Transportation Engineering and Management of National Chiao Tung University	President: Evergreen Marine Corporation (Taiwan) Ltd. Director: PT. Evergreen Shipping Agency Indonesia Director and Manager: Greencompass Marine S.A., Gaining Enterprise S.A.	-	-	-
Independent Director	Yu, Fang-Lai	Male	R.O.C.	06.22.2017	06.22.2017	3 Years	0	0.000	0	0.000	0	0.000	0	0.000	Chairman, Chunghwa Post Co., Ltd. Political Deputy Minister, Ministry of Transportation & Communications MBA of Institute of Management Science of National Chiao Tung University	-	-	-	-
Independent Director	Chang, Chia-Chee	Male	R.O.C.	06.18.2014	06.22.2017	3 Years	0	0.000	0	0.000	0	0.000	0	0.000	Tai-Yang Life Science Business Law Office Attorney-in-Charge Master degree: School of Law of National Taiwan University, College of Medicine Institute of Molecular Medicine of National Taiwan University	Tai-Yang Life Science Business Law Office Attorney-in-Charge	-	-	-

Title	Name	Gender	Natio-nality	Date First Elected	Date Elected	Term	Shareholding When Elected		Current Shareholding		Spouses & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Other Position	Executives, Directors or Supervisors who are Spouses or Within Two Degress of Kinship		
							Shares	(%) (Note 1)	Shares	(%) (Note 2)	Shares	(%) (Note 2)	Shares	(%) (Note 2)			Title	Name	Relation
Independent Director	Li, Chang-Chou	Male	R.O.C.	06.22.2017	06.22.2017	3 Years	0	0.000	0	0.000	0	0.000	0	0.000	Partner, PricewaterhouseCoopers, Taiwan Master of Accounting, University of Illinois at Urbana-Champaign	Partner, CPA, Zhi Cheng CPAs & Co. Independent Director: Kuen Ling Refrigerating Machinery CO. Ltd., Axcen Photonics Corp., Silicon Optronics, Inc.	-	-	-

Note 1: The Company had issued 3,512,355,986 shares when current Board of Directors was elected on 06/22/2017.

Note 2: As of 04/23/2019, the Company has issued 4,512,973,786 shares.

Note 3: Mr. Chang, Kuo-Hua has served as a director of the Company from 09/02/1976 to 12/31/1998, 06/20/2001 to 06/24/2004, 06/19/2008 to 06/24/2011, and from 06/18/2014 till present.

Note 4: Evergreen International S.A. has appointed representatives to serve as directors or supervisors of the Company from 03/25/1988 to 10/27/1989, 06/20/2001 to 06/27/2007, and from 06/19/2009 till present.

Note 5: Ms. Ko, Lee-Ching has served as a director or supervisor of the Company from 06/12/1982 to 03/31/1983, 06/11/1983 to 06/12/1984, and from 05/09/1992 till present.

(2) Major shareholders of the institutional shareholders

APR. 23, 2019

Name of Institutional Shareholder	Major Shareholders of Institutional Shareholder
Evergreen Steel Corp.	Evergreen International Corp. (30.26%), EVA Airways Corp. (9.42%), Continental Engineering Corp. (6.33%), Chang, Kuo-Hua (6.17%), Chang, Kuo-Ming (6.17%), Chang, Kuo-Cheng (6.17%), Chang Yung-Fa Foundation (6.17%), Ming Yu Investment Co., Ltd. (4.36%), Wei-Dah Development Co., Ltd. (3.16%), TSRC Corp. (3%)
Chang Yung-Fa Charity Foundation	Non-profit Organization
Evergreen International S.A. (Panama)	Chang, Yung-Fa (20%), Chang, Kuo-Hua (20%), Chang, Kuo-Ming (20%), Chang, Kuo-Cheng (20%), Pieca Corp. (20%)

Note: The data is provided by institutional shareholders, and from public information on Ministry of Economic Affairs website and MOPS.

(3) Major shareholders of the Company's major institutional shareholders

APR. 23, 2019

Legal Entity	Name of Institutional Shareholders	Major Shareholders of Institutional Shareholders
Evergreen Steel Corp.	Evergreen International Corp.	Chang Yung-Fa Foundation (28.86%), Chang, Kuo-Cheng (16.67%), Chang, Kuo-Hua (12.90%), Chang, Kuo-Ming (12.17%), Lee, Yu-Mei (7.14%), Chen, Hui-Chu (5.81%), Yang, Mei-Chen (5.10%), Chang Yung-Fa Charity Foundation (5.00%), Chang, Yung-Fa (5.00%), Tseng, Chiung-Hui (1.33%)

Legal Entity	Name of Institutional Shareholders	Major Shareholders of Institutional Shareholders
	EVA Airways Corp.	Evergreen Marine Corp. (Taiwan) Ltd. (16.09%), Evergreen International Corp. (11.38%), Falcon Investment Services Ltd. (10.71%), Evergreen Steel Corp. (5.02%), Chang, Yung-Fa (2.73%), Chang, Kuo-Cheng (1.92%), New Labor Pension Fund (1.69%), Chang, Kuo-Ming (1.16%), Evergreen International Storage & Transport Corp. (1.08%), Chang, Kuo-Hua (0.87%)
	Continental Engineering Corp.	Continental Holdings Corp. (100%)
	Chang Yung-Fa Foundation	Non-profit Organization
	Ming Yu Investment Co., Ltd.	Evergreen Steel Corp. (100%)
	Wei-Dah Development Co., Ltd.	Ching Shan Zhen Investment Corp. (99.8%)
	TSRC Corp.	Panama Banco Industrial Company (8.4%), Hao Ran Foundation (7.3%), Wei Dah Development Co., Ltd. (6.5%), CITI bank Taiwan branch in custody for Government of Singapore Investment Fund (5.3%), Tamerton Group Limited (4.2%), Fubon Life Insurance Co., Ltd. (3.8%), Cathay Life Insurance Co., Ltd. (3.8 %), Metacity Development Corp. (3.8%), Nan Shan Life Insurance Co., Ltd. (2.2%), Public Service Pension Fund Supervisory Board. (2.2%)
Evergreen International S.A. (Panama)	Pieca Corp.	Chang, Kuo-Wei (100%)

Note: The data ia provided by institutional shareholders, and from public information on Ministry of Economic Affairs Website and MOPS.

(4) Professional qualifications and independence analysis of directors

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Criteria / Name	Meet One of the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience: An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs of the Company in a Public or Private Junior College, College or University	Meet One of the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience: A Judge, Public Prosecutor, Attorney, Certified Public Accountant, or Other Professional or Technical Specialist Who has Passed a National Examination and been Awarded a Certificate in a Profession Necessary for the Business of the Company	Meet One of the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience: Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company	Independence Criteria(Note) 1	2	3	4	5	6	7	8	9	10	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Evergreen Steel Corp. Representative: Chang, Cheng-Yung			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		0
Chang Yung-Fa Charity Foundation Representative: Chang, Kuo-Hua			✓	✓	✓				✓			✓		0
Chang Yung-Fa Charity Foundation Representative: Chang, Kuo-Ming			✓	✓	✓				✓	✓		✓		0
Evergreen International S.A.(Panama) Representative: Ko, Lee-Ching			✓	✓	✓	✓	✓		✓		✓	✓		0
Evergreen International S.A.(Panama) Representative: Hsieh, Huey-Chuan			✓		✓	✓	✓	✓	✓	✓	✓	✓		0
Yu, Fang-Lai			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Chang, Chia-Chee		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Li, Chang-Chou		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	3

Note: Please tick the corresponding boxes that apply to the directors or supervisors during the two years prior to being elected or during the term of office.

1. Not an employee of the Company or any of its affiliates.
2. Not a director or supervisor of the Company or any of its affiliates. Not applicable in cases where the person is an independent director of the Company, its parent company, or any subsidiary as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.
3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings.
4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding three subparagraphs.
5. Not a director, supervisor, or employee of a corporate shareholder who directly holds 5% or more of the total number of outstanding shares of the Company or who holds shares ranking in the top five holdings.
6. Not a director, supervisor, officer, or shareholder holding 5% or more of the shares, of a specified company or institution which has a financial or business relationship with the Company.
7. Not a professional individual who is an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof. These restrictions do not apply to any member of the remuneration committee who exercises powers pursuant to Article 7 of the "Regulations Governing the Establishment and Exercise of Powers of Remuneration Committees of Companies whose Stock is Listed on the TWSE or Traded on the TPEx".
8. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.
9. Not been a person of any conditions defined in Article 30 of the Company Law.
10. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.

2. Management Team

APR. 23, 2019

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangment		Experienc & Education	Other	Managers Who are Spouses or within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
President	R.O.C	Hsieh, Huey-Chuan	Male	04.15.2019	139,752	0.00	0	0.00	0	0.00	Exp: Italia Marittima S.P.A. Vice Chairman Edu: National Chiao Tung University Transportation and Logistics Management	Director: PT. Evergreen Shipping Agency Indonesia Director And Manager: Greencompass Marine S.A., Gaining Enterprise S.A.	-	-	-
Chief Executive Vice President (Finance Officer)	R.O.C	Wu, Kuang-Hui	Male	07.01.2018	21,098	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Finance Div. Executive Vice President Edu: National Sun Yat-Sen University Business Management	Director: EVA Airways Corp., Taipei Port Container Terminal Corp. Supervisor: UNI Airways Corp., Evergreen Steel Corp., Evergreen Security Corp., Taiwan Terminal Services Corp., Charng Yang Devel-opment Corp., Hsiang-Li Investment Corp.	-	-	-
Project Dept. Executive Vice President	R.O.C	Wei, Wei-Der	Male	02.27.2019	52,500	0.00	0	0.00	0	0.00	Exp: Evergreen Shipping Agency (Europe) GmbH President Edu: National Chung Hsing University Finance And Cooperative Management	-	-	-	-

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangment		Experienc & Education	Other	Managers Who are Spouses or within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Project Dept. Executive Vice President	R.O.C	Tang, Chia-Sheng	Male	07.06.2018	0	0.00	0	0.00	0	0.00	Exp: Evergreen Shipping Agency (Europe) Gmbh France Branch President Edu: Tamkang University International Business	-	-	-	-
Finance Div. Executive Vice President	R.O.C	Tsai, I-Jung	Male	07.01.2014	0	0.00	0	0.00	0	0.00	Exp: Italia Marittima S.P.A. Finance Dept. Senior Vice President Edu: Tamkang University Accounting	-	-	-	-
Marketing Div. Executive Vice President	R.O.C	Peng, Chen-Hsiang	Male	08.09.2014	63,694	0.00	5,000	0.00	0	0.00	Exp: Evergreen Shipping Agency (Japan) Corp. President Edu: Tamkang University English	-	-	-	-
Logistics Div. Executive Vice President	R.O.C	Lin, Wen-Kuei	Male	02.25.2017	3,972	0.00	0	0.00	0	0.00	Exp: Evergreen Shipping Agency (Netherlands) B.V. President Edu: National Taiwan Ocean University Merchant Marine	-	-	-	-
Shipbuilding Dept.(Be Concurrently In Charge Of Maritech/Sea-man/ Mainte-nance/Supply Dept.) Executive Vice President	R.O.C	Huang, Tsung-Yung	Male	07.01.2018	105,000	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Engineering Div. Shipbuilding Dept. Senior Vice President Edu: National Taiwan Ocean University Systems Engineering And Naval Architecture	-	-	-	-

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangment		Experienc & Education	Other	Managers Who are Spouses or within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Project Dept. Senior Vice President	R.O.C	Tseng, Neng-Fang	Male	01.01.2019	5,000	0.00	0	0.00	0	0.00	Exp: Evergreen International S.A. HK Representative Edu: Tunghai University International Business	-	-	-	-
Human Resources Dept. Senior Vice President	R.O.C	Yang, Pi-Sao	Female	01.01.2014	65,750	0.00	0	0.00	0	0.00	Exp: Evergreen Group Management Office Junior Vice President Edu: Lawrence Technological University Business Administration	-	-	-	-
Finance Div. Finance Dept. Senior Vice President	R.O.C	Mo, Cheng-Ping	Male	02.22.2017	58,000	0.00	1,269	0.00	0	0.00	Exp: Italia Marittima S.P.A Chief Executive Vice President Edu: Tamsui Institute Of Business Administration Public Finance And Taxation	-	-	-	-
Finance Div. Stocks Dept. Senior Vice President	R.O.C	Hsieh, Shu-Hui	Female	04.27.2016	0	0.00	0	0.00	0	0.00	Exp: Evergreen International Corp. Stocks Dept. Senior Vice President Edu: Soochow University Law	Senior Vice President, Stock Dept., Evergreen International Corp.	-	-	-
Insurance & Claim Dept. Senior Vice President	R.O.C	Lin, An-Kwo	Male	11.01.2014	0	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Project Div. Deputy Senior Vice President Edu: National Taiwan Ocean University Merchant Marine	-	-	-	-

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangment		Experienc & Education	Other	Managers Who are Spouses or within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Marketing Div. Senior Vice President	R.O.C	Wang, Pei-Chun	Male	07.15.2017	7,956	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Marketing Div. Junior Vice President Edu: University Of Hertfordshire Business Administration	-	-	-	-
Logistics Div. Equipment Control Dept. Senior Vice President	R.O.C	Liu, An-Hua	Male	10.08.2015	40,500	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. International Business Div. Eastbound Dept. Senior Vice President Edu: Chinese Culture University English Language & Literature	-	-	-	-
Logistics Div. Equipment Service Dept. Senior Vice President	R.O.C	Wu, Chi-Hui	Male	08.04.2018	0	0.00	10,908	0.00	0	0.00	Exp: Master International Shipping Agency Co. Ltd. Shanghai Branch Logistics Dept. Senior Vice President Edu: China Junior College Of Marine Technology Marine Engineering	-	-	-	-
Logistics Div. Intermodal Dept. Senior Vice President	R.O.C	Kuo, Yuan-Ping	Male	01.01.2019	22	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Project Div. Junior Vice President Edu: National Taiwan University Of Science And Technology Mechanical Engineering	-	-	-	-

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangment		Experienc & Education	Other	Managers Who are Spouses or within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Operation Coordination Dept. Senior Vice President	R.O.C	Hwang, Wen-Yau	Male	03.15.2018	169,883	0.00	0	0.00	0	0.00	Exp: Evergreen Shipping Agency (Europe) Gmbh Netherlands Branch European Operation Center. Senior Vice President Edu: China Junior College Of Marine Technology Navigation	-	-	-	-
Maintenance Dept. Senior Vice President	R.O.C	Kung, Chir-Chieh	Male	02.05.2018	170,743	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Project Dept. Senior Vice President Edu: National Taiwan Ocean University Systems Engineering And Naval Architecture	-	-	-	-
Supply Dept. Senior Vice President	R.O.C	Wang, Lin-Fa	Male	12.28.2017	30,000	0.00	0	0.00	0	0.00	Exp: Italia Marittima S.P.A. Marine & Operation Dept. Executive Vice President Edu: China Junior College Of Marine Technology Marine Engineering	-	-	-	-
Shipbuilding Dept. Senior Vice President	R.O.C	Chiang, Shou-Hsing	Male	01.01.2006	0	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Engineering Div. Shipbuilding Dept. Deputy Senior Vice President Edu: National Taiwan Ocean University Systems Engineering And Naval Architecture	-	-	-	-

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangment		Experienc & Education	Other	Managers Who are Spouses or within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
KSG Terminal Div. Senior Vice President	R.O.C	Chang, Yen-I	Male	06.06.2018	22,979	0.00	0	0.00	0	0.00	Exp: Colon Container Terminal S.A. Chairman & President Edu: China Junior College Of Marine Technology Navigation	Taiwan Terminal Services Corp. Ltd. Chairman	-	-	-
KSG Terminal Div. Senior Vice President	R.O.C	Liaw, Yeong-Nian	Male	02.24.2017	113,092	0.00	0	0.00	0	0.00	Exp: P.T. MBPI/MBT President Edu: China Junior College Of Marine Technology Marine Engineering	-	-	-	-
Project Dept. Deputy Senior Vice President	R.O.C	Jou, Kuen-Cheng	Male	02.01.2012	11,816	0.00	224	0.00	0	0.00	Exp: Evergreen International Corp. Computer Div. Software Designing Dept. Ii Deputy Senior Vice President Edu: National Taipei College Of Business Information Management	-	-	-	-
Project Dept. Deputy Senior Vice President	R.O.C	Sheu, Dong-Han	Male	12.20.2012	0	0.00	0	0.00	0	0.00	Exp: Evergreen Marine (Uk) Limited Project Div. Deputy Senior Vice President Edu: National Chung Hsing University Economics	-	-	-	-
Project Dept. Deputy Senior Vice President	R.O.C	Chen, Chun-Yen	Male	03.11.2019	147,000	0.00	0	0.00	0	0.00	Exp: Evergreen International Corp. Business Div. America Dept. Deputy Senior Vice President Edu: National Taiwan Ocean University Shipping And Transportation Management	-	-	-	-

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangment		Experienc & Education	Other	Managers Who are Spouses or within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Auditing Dept. Deputy Senior Vice President	R.O.C	Wu, Yu-Chi	Female	01.01.2015	15,549	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Finance Div. Finance Dept. Junior Vice President Edu: Chungyu Institue of Technology Accounting	-	-	-	-
Human Re-sources Dept. Deputy Senior Vice President	R.O.C	Chien, Shen-Tai	Male	01.01.2016	0	0.00	0	0.00	0	0.00	Exp: Master International Shipping Agency Co. Ltd. Shanghai Branch Human Resources Dept. Junior Vice President Edu: National Cheng Kung University Industrial Information Management	-	-	-	-
Marketing Div. North America Dept. Deputy Senior Vice President	R.O.C	Huang, Hsin-Yen	Male	07.01.2016	0	0.00	0	0.00	0	0.00	Exp: Evergreen Shipping Agency (America) Corp. Atlanta Office Junior Vice President Edu: National Central University Business Administration	-	-	-	-
Marketing Div. Latin America Dept. Deputy Senior Vice President	R.O.C	Su, Ming-Sung	Male	03.12.2018	86	0.00	0	0.00	0	0.00	Exp: Evergreen International Corp. Europe & Africa Dept. Deputy Senior Vice President Edu: National Chiao Tung University Transportation And Logistics Management	-	-	-	-

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangment		Experienc & Education	Other	Managers Who are Spouses or within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Marketing Div. Intra Asia Dept. Deputy Senior Vice President	R.O.C	Wu, Yi-Min	Male	01.01.2015	0	0.00	0	0.00	0	0.00	Exp: PT. Evergreen Shipping Agency Indonesia President Edu: National Chung Hsing University Business Administration	-	-	-	-
Marketing Div. Europe & Africa Dept. Deputy Senior Vice	R.O.C	Lin, Sheng-Chia	Male	07.15.2017	7,000	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Marketing Div. Europe & Africa Dept. Junior Vice President Edu: Feng Chia University Transpor-tation and Logistic	-	-	-	-
Marketing Div. Near East Dept. Deputy Senior Vice President	R.O.C	Hsu, Huan-Chang	Male	08.25.2018	30,000	0.00	0	0.00	0	0.00	Exp: Evergreen Shipping Agency (India) Private Ltd. President Edu: Soochow University Business Administration	-	-	-	-
Maritech Dept. Deputy Senior Vice President	R.O.C	Yang, Hong-Ming	Male	01.01.2019	95,550	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Maritech Dept. Junior Vice President Edu: National Chiao Tung University Transportation & Logistics Management	-	-	-	-
Maritech Dept. Deputy Senior Vice President	R.O.C	Jeng, Jen-Cherng	Male	07.15.2017	90,083	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Maintenance Dept. Junior Vice President Edu: China Junior College Of Marine Technology Marine Engineering	-	-	-	-

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangment		Experienc & Education	Other	Managers Who are Spouses or within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Seaman Dept. Deputy Senior Vice President	R.O.C	Li, Hua-Lung	Male	01.01.2018	80,000	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Maritech Dept. Deputy Senior Vice President Edu: National Taiwan Ocean University Shipping and Transportation Management	-	-	-	-
Operation Dept. Deputy Senior Vice	R.O.C	Hwang, Yi-Syou	Male	04.01.2018	0	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Operation Coordination Dept. Deputy Senior Vice President Edu: China Junior College Of Marine Technology Navigation	-	-	-	-
Operation Coordination Dept. Deputy Senior Vice President	R.O.C	Chang, Chih-Chao	Male	02.01.2018	85,264	0.00	539	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Project Dept. Deputy Senior Vice President Edu: Tamkang University Navigation	-	-	-	-
Operation Coordination Dept. Deputy Senior Vice President	R.O.C	Yeh, Cheng-Hung	Male	03.18.2019	21,000	0.00	0	0.00	0	0.00	Exp: Evergreen International Corp. Business Div. Intra Asia Dept. Deputy Senior Vice President Edu: National Chiao Tung University Management Science	-	-	-	-

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangment		Experienc & Education	Other	Managers Who are Spouses or within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Maintenance Dept. Deputy Senior Vice President	R.O.C	Chen, Jenn-Hwang	Male	05.08.2017	55,000	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Maritech Dept. Deputy Senior Vice President Edu: National Taiwan Ocean University Marine Engineering	-	-	-	-
Maintenance Dept. Deputy Senior Vice President	R.O.C	Yeh, Ching-Rong	Male	01.01.2015	52,500	0.00	609	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Engineering Div. Maintenance Dept. Junior Vice President Edu: National Taiwan Ocean University Marine Engineering	-	-	-	-
Maintenance Dept. Deputy Senior Vice President	R.O.C	Con, Kuo-Chung	Male	08.01.2017	21,000	0.00	3,662	0.00	0	0.00	Exp: Master International Shipping Agency Co. Ltd. Shanghai Branch Engineering Dept. Deputy Senior Vice President Edu: National Keelung Maritime Vocational High School Marine Branch	-	-	-	-
KSG Terminal Div. Terminal Operation Dep. Deputy Senior Vice President	R.O.C	Hwang, Ming-Ling	Male	07.15.2016	87,221	0.00	0	0.00	0	0.00	Exp: Taranto Container Terminal S.P.A. Terminal Operation Dept. Junior Vice President Edu: China Junior College Of Marine Technology Navigation	-	-	-	-

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangment		Experienc & Education	Other	Managers Who are Spouses or within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Finance Div. Finance Dept. Junior Vice President (Accounting Supervisor)	R.O.C	Chang, Chuan-Fu	Male	01.01.2019	5,000	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Finance Div. Finance Dept. Deputy Junior Vice President Edu: National Chung Hsing University Public Finance	-	-	-	-

3. Remuneration of Directors, President and Vice Presidents

(1) Remuneration of Directors

Unit: NTS thousands

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%) (Note 7)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%) (Note 7)		Compensation from an Invested Company Other than the Company's Subsidiaries (Note 8)
		Base Compensation (A) (Note 1)		Severance Pay (B)		Directors Compensation (C) (Note 2)		Allowances (D) (Note 3)				Salary, Bonuses, and Allowances (E) (Note 4)		Severance Pay (F)		Employee Compensation (G) (Note 5)						
		EMC	Consolidated Subsidiaries of EMC (Note 6)	EMC	Consolidated Subsidiaries of EMC (Note 6)	EMC	Consolidated Subsidiaries of EMC (Note 6)	EMC	Consolidated Subsidiaries of EMC (Note 6)	EMC	Consolidated Subsidiaries of EMC (Note 6)	EMC	Consolidated Subsidiaries of EMC (Note 6)	EMC	Consolidated Subsidiaries of EMC (Note 6)	EMC		Consolidated Subsidiaries of EMC (Note 6)		EMC	Consolidated Subsidiaries of EMC (Note 6)	
																Cash	Stock	Cash	Stock			
Chairman	Evergreen Steel Corp. Representative: Chang, Cheng-Yung	5,511	5,511	0	0	0	0	522	522	2.05%	2.05%	0	0	0	0	0	0	0	0	2.05%	2.05%	24
Director	Chang Yung-Fa Charity Foundation Representative: Chang, Kuo-Hua	0	0	0	0	0	0	42	42	0.01%	0.01%	0	0	0	0	0	0	0	0	0.01%	0.01%	736
Director	Chang Yung-Fa Charity Foundation Representative: Chang, Kuo-Ming	0	0	0	0	0	0	30	30	0.01%	0.01%	0	0	0	0	0	0	0	0	0.01%	0.01%	0

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%) (Note 7)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%) (Note 7)		Compensation from an Invested Company Other than the Company's Subsidiaries (Note 8)
		Base Compensation (A) (Note 1)		Severance Pay (B)		Directors Compensation (C) (Note 2)		Allowances (D) (Note 3)				Salary, Bonuses, and Allowances (E) (Note 4)		Severance Pay (F)		Employee Compensation (G) (Note 5)						
		EMC	Consolidated Subsidiaries of EMC (Note 6)	EMC	Consolidated Subsidiaries of EMC (Note 6)	EMC	Consolidated Subsidiaries of EMC (Note 6)	EMC	Consolidated Subsidiaries of EMC (Note 6)	EMC	Consolidated Subsidiaries of EMC (Note 6)	EMC	Consolidated Subsidiaries of EMC (Note 6)	EMC	Consolidated Subsidiaries of EMC (Note 6)	EMC		Consolidated Subsidiaries of EMC (Note 6)		EMC	Consolidated Subsidiaries of EMC (Note 6)	
																Cash	Stock	Cash	Stock			
Director	Evergreen International S.A. Representative: Ko, Lee-Ching	0	0	0	0	0	0	42	42	0.01%	0.01%	0	0	0	0	0	0	0	0	0.01%	0.01%	2,378
Director	Evergreen International S.A. Representative: Lee, Mong-Jye	0	0	0	0	0	0	36	36	0.01%	0.01%	4,400	4,400	108	108	6	0	6	0	1.56%	1.56%	0
Director	Evergreen Steel Corp. Represen-tative: Hsieh, Huey-Chuan	0	0	0	0	0	0	42	42	0.01%	0.01%	3,397	3,397	367	367	6	0	6	0	1.30%	1.30%	18
Independent Director	Chang, Chia-Chee	960	960	0	0	0	0	66	66	0.35%	0.35%	0	0	0	0	0	0	0	0	0.35%	0.35%	0
Independent Director	Yu, Fang-Lai	960	960	0	0	0	0	66	66	0.35%	0.35%	0	0	0	0	0	0	0	0	0.35%	0.35%	0
Independent Director	Li, Chang-Chou	960	960	0	0	0	0	66	66	0.35%	0.35%	0	0	0	0	0	0	0	0	0.35%	0.35%	0

Note 1: Includes directors' salary, subsidy, leave pay and bonus.

Note 2: The directors' remuneration has been approved by Board of Directors

Note 3: Includes the relevant business execution expenses of directors in 2018 (including transportation allowance, special expenses, various allowances, dormitory, car and other physical supplies, etc.). If there is a driver, please note the company's payment for the driver, but the payment does not count the remuneration.

Note 4: Relevant remuneration received by directors who are also employees (including president, Executive Vice President, other managers and employees), including salary, subsidy, leave pay and bonus, etc. If there is a driver, please note the company's payment for the driver, but the payment does not count the remuneration. The salary recognized in accordance with IFRS 2 "Share-based payment", including obtaining employee stock option certificates, restricted stock awards and participating in capital increased by cash shall also be included in the remuneration.

Note 5: The compensation for employees has been approved by Board of Directors.

Note 6: Includes the total amount received from EMC and its consolidated subsidiaries.

Note 7: Net income is the profit after tax of the parent-company-only financial statements.

Note 8: The directors received the compensation from other invested companies, which are not subsidiaries.

(2) Remuneration of the President and Vice Presidents

Unit: NT$ thousands

Title	Name	Salary(A) (Note 1)		Severance Pay (B)		Bonuses and Allowances (C) (Note 2)		Employee Compensation (D) (Note 3)				Ratio of total compensation (A+B+C+D) to net income (%) (Note 6)		Compensation Paid to the President and Vice Presidents from an Invested Company Other than the Company's Subsidiary (Note 7)
		EMC	Consolidated Subsidiaries of EMC (Note 4)	EMC	Consolidated Subsidiaries of EMC (Note 4)	EMC	Consolidated Subsidiaries of EMC (Note 4)	EMC		Consolidated Subsidiaries of EMC (Note 4)		EMC	Consolidated Subsidiaries of EMC (Note 4)	
								Cash	Stock	Cash	Stock			
President	Lee, Mong-Jye	30,284	30,284	3,138	3,138	6,131	6,131	50	0	50	0	13.47%	13.47%	1,666
Chief Executive Vice President	Hu, Daw-Ming													
Chief Executive Vice President	Wu, Kuang-Hui													
Executive Vice President	Hsieh, Huey-Chuan													
Executive Vice President	Peng, Chen-Hsiang													
Executive Vice President	Yang, Lii-Yueh													
Executive Vice President	Lin, Charng-Shyang													
Executive Vice President	Yu, Hui-Kwang													
Executive Vice President	Tsai, Bein-Hui													
Executive Vice President	Tsai, I-Jung													
Executive Vice President	Huang, Tsung-Yung													
Executive Vice President	Lin, Wen-Kuei													
Executive Vice President	Tang, Chia-Sheng													

Unit: NT$

Range of Remuneration	Name of President and Executive Vice Presidents	
	EMC (Note 5)	Consolidated Subsidiaries of EMC
Under NT$ 2,000,000	Yu, Hui-Kwang Tang, Chia-Sheng	Yu, Hui-Kwang Tang, Chia-Sheng
NT$2,000,001 ~ NT$4,999,999	Lee, Mong-Jye Hu, Daw-Ming Wu, Kuang-Hui Hsieh, Huey-Chuan Peng, Chen-Hsiang Yang, Lii-Yueh Lin, Charng-Shyang Tsai, Bein-Hui Tsai, I-Jung Huang, Tsung-Yung Lin, Wen-Kuei	Lee, Mong-Jye Hu, Daw-Ming Wu, Kuang-Hui Hsieh, Huey-Chuan Peng, Chen-Hsiang Yang, Lii-Yueh Lin, Charng-Shyang Tsai, Bein-Hui Tsai, I-Jung Huang, Tsung-Yung Lin, Wen-Kuei
NT$5,000,000 ~ NT$9,999,999	0	0
NT$10,000,000 ~ NT$14,999,999	0	0
NT$15,000,000 ~ NT$29,999,999	0	0
NT$30,000,000 ~ NT$49,999,999	0	0
NT$50,000,000 ~ NT$99,999,999	0	0
Over NT$100,000,000	0	0
Total	13	13

Note 1: Includes President and Executive Vice Presidents' salary, allowance, leave pay.

Note 2: Includes President and Executive Vice Presidents' bonus, transportation allowance, special expenses, various allowances, dormitory, car and other physical supplies, etc. If there is a driver, please note the company's payment for the driver, but the payment does not count the allowance. The salary recognized in accordance with IFRS 2 "Share-based payment", including obtaining employee stock option certificates, restricted stock awards and participating in capital increased by cash shall also be included in the remuneration.

Note 3: The compensation for employees has been approved by Board of Directors.

Note 4: Includes the total amount received from EMC and its consolidated subsidiaries.

Note 5: The name of the President and Executive Vice President is disclosed according to their total remuneration received from the Company.

Note 6: Net income is the profit after tax of the parent-company-only financial statements.

Note 7: The President and Executive Vice Presidents received the compensation from other invested companies, which are not subsidiaries.

(3) Name and distribution of managers who distribute employee compensation

Dec. 31, 2018

Unit: NT$ thousands

	Title (Note 1)	Name	Employee Compensation in Stock (Note 2)	Employee Compensation in Cash (Note 2)	Total	Ratio of Total Amount to Net Income (%) (Note 3)
Executive Officers	President	Lee, Mong-Jye	0	185	0	0.06
	Chief Executive Vice President (Financial Officer)	Wu, Kuang-Hui				
	Executive Vice President	Hsieh, Huey-Chuan				
	Executive Vice President	Tang, Chia-Sheng				
	Executive Vice President	Yang, Lii-Yueh				
	Executive Vice President	Tsai, I-Jung				
	Executive Vice President	Peng, Chen-Hsiang				
	Executive Vice President	Tsai, Bein-Hui				
	Executive Vice President	Lin, Wen-Kuei				
	Executive Vice President	Huang, Tsung-Yung				
	Senior Vice President	Yang, Pi-Sao				
	Senior Vice President	Mo, Cheng-Ping				
	Senior Vice President	Lin, An-Kwo				
	Senior Vice President	Wang, Pei-Chun				
	Senior Vice President	Huang, Ming-Jer				
	Senior Vice President	Liu, An-Hua				
	Senior Vice President	Wu, Chi-Hui				

	Title (Note 1)	Name	Employee Compensation in Stock (Note 2)	Employee Compensation in Cash (Note 2)	Total	Ratio of Total Amount to Net Income (%) (Note 3)
	Senior Vice President	Lu, Huang-Chuan	0	185	0	0.06
	Senior Vice President	Hwang, Wen-Yau				
	Senior Vice President	Kung, Chir-Chieh				
	Senior Vice President	Wang, Lin-Fa				
	Senior Vice President	Chiang, Shou-Hsing				
	Senior Vice President	Chang, Yen-I				
	Deputy Senior Vice President	Tseng, Neng-Fang				
	Deputy Senior Vice President	Kuo, Yuan-Ping				
	Deputy Senior Vice President	Jou, Kuen-Cheng				
	Deputy Senior Vice President	Sheu, Dong-Han				
	Deputy Senior Vice President	Shih, Wang-Yi				
	Deputy Senior Vice President	Yeh, Cheng-Hung				
	Deputy Senior Vice President	Wu, Yu-Chi				
	Deputy Senior Vice President	Chien, Shen-Tai				
	Deputy Senior Vice President	Huang, Hsin-Yen				
	Deputy Senior Vice President	Su, Ming-Sung				
	Deputy Senior Vice President	Lin, Sheng-Chia				
	Deputy Senior Vice President	Cheng, Min-Chou				

	Title (Note 1)	Name	Employee Compensation in Stock (Note 2)	Employee Compensation in Cash (Note 2)	Total	Ratio of Total Amount to Net Income (%) (Note 3)
	Deputy Senior Vice President	Wu, Yi-Min	0	185	0	0.06
	Deputy Senior Vice President	Hsu, Huan-Chang				
	Deputy Senior Vice President	Cheng, Chi-Yi				
	Deputy Senior Vice President	Huang, Teng-Wei				
	Deputy Senior Vice President	Jeng, Jen-Cherng				
	Deputy Senior Vice President	Huang, Yi-En				
	Deputy Senior Vice President	Li, Hua-Lung				
	Deputy Senior Vice President	Hwang, Yi-Syou				
	Deputy Senior Vice President	Chang, Chih-Chao				
	Deputy Senior Vice President	Chen, Jenn-Hwang				
	Deputy Senior Vice President	Yeh, Ching-Rong				
	Deputy Senior Vice President	Con, Kuo-Chung				
	Deputy Senior Vice President	Hwang, Ming-Ling				
	Deputy Junior Vice President (Accounting Officer)	Chang, Chuan-Fu				

Note 1: The title as of December 31, 2018

Note 2: The amount of compensation for the employees of the 2018 manager that was distributed by the Board of Directors in the year of 2019.

Note 3: After-tax net profit refers to the net income of the 2018 parent company only financial report.

Note 4: The scope of application of the manager is based on the letter from the Financial Supervisory Commission R.O.C. (Taiwan) on March 27, 2003, Tai-Cai-Zheng-San Zi, No. 0920001301, the scope of which is as follows:

(1) President or equal position

(2) Executive Vice President or equal position

(3) Senior Vice President and Deputy Senior Vice President or equal position

(4) Financial Officer

(5) Accounting Officer

(6) Other persons who have the right to manage affairs and sign on behalf of the company

4. Comparison of Remuneration for Directors, Supervisors, President and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Supervisors, President and Vice Presidents

(1) The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, supervisors, president and vice presidents of the Company, to the net income.

Tital	EMC		Consolidated Subsidiaries of EMC	
	2017	2018	2017	2018
Directors	0.27%	3.15%	0.27%	3.15%
Supervisors	0.02%	-	0.02%	-
President and Vice Presidents	0.76%	13.47%	0.76%	13.47%

(2) The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with risks and business performance.

According to the Company's Articles of Incorporation, if the Company makes profit in a fiscal yesr, directors' remuneration shall be nomore than 2% of the profit. The remuneration of directors is stipulated according to the Company's Articles of Incorporation, authorizing the Board of Directors to determine the remuneration by its participation and contribution, as well as that of other company's data. The remuneration of managers is determined in accordance with the Payment Regulations for Managers Compensation. The remuneration for directors and managers is stipulated by the Remuneration Committee and should be approved by the Board of Directors. The bonus would be considered and distributed based on the operation results of the Company and the personal performance.

III. Implementation of Corporate Governance

1. Board of Directors

A total of 7 (A) meetings of the Board of Directors were held in the year 2018.

The attendance of directors is as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) [B/A] (Note 2)	Remarks
Chairman	Chang, Cheng-Yung (Representative of Evergreen Steel Corp.)	7	0	100%	-
Director	Chang, Kuo-Hua (Representative of Chang Yung-Fa Charity Foundation)	7	0	100%	-
Director	Chang, Kuo-Ming (Representative of Chang Yung-Fa Charity Foundation)	5	0	71.43%	-
Director	Ko, Lee-Ching (Representative of Ever-green International S.A.)	7	0	100%	-
Director	Lee, Mong-Jye (Representative of Ever-green International S.A.)	6	1	85.71%	-
Director	Hsieh, Huey-Chuan (Representative of Evergreen Steel Corp.)	7	0	100%	-
Independent Director	Yu, Fang-Lai	7	0	100%	-
Independent Director	Chang, Chia-Chee	7	0	100%	-
Independent Director	Li, Chang-Chou	7	0	100%	-

Other mentionable items:

1. Please specify the dates of the Board Meetings, period, agenda and all independent directors' opinions and the Company's responses if one of following situation has occurred in the Board Meetings:

   (1) The items listed in Article 14-3 of Securities and Exchange Act: Not applicable as the

Company has established the audit committee.

(2) Except for the proposal mentioned above, other literally recorded resolutions which are opposed or have qualified opinion by independent directors: None.

2. If the directors have personal interest conflicts to the proposal and are required for recusal, please specify the names of the directors, proposal, reason and the resolution: Please refer to page 106 to 111.

3. The evaluation to strengthen the functionality of Board of Directors in recent years(ex. resolution Audit Committee or enhance information transparency):

(1) The Company has purchased liability insurance for directors in order to disperse the risk of legal responsibility and improve the ability of corporate governance.

(2) The Company has 3 independent directors and has stipulated the "Rules Governing the duties of independent directors". To enhance the functionality of Board of Directors, the Company established the Audit Committee on Jun.22, 2017.

(3) To enhance the information transparency, the Company voluntarily publishes important resolution of Board Meetings and establishes Corporate Social Responsibility page, Corporate Governance page, and Ethical Management page on the Company's website.

(4) To enhance the professional ability of directors as well as implement corporate governance, the Company has invited lecturers for directors to attend training courses in 2018 and 2019.

(5) The Company was ranked in the top 5% of all selected listed companies of the 5^{th}, which illustrated the Company had well performance during operation.

(6) The Board of Directors of the Company established "Regulations Governing the Board Performance Evaluation", the 2018 evaluation results of the performance of Directors were "Good".

2. Audit Committee

(1) Audit Committee

A total of 7 (A) meetings of the Audit Committee were held in 2018 and the attendance of Independent directors is as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) [B/A]	Remarks
Independent Director	Li, Chang-Chou	7	0	100%	-
Independent director	Yu, Fang-Lai	7	0	100%	-
Independent Director	Chang, Chia-Chee	6	1	85.71%	-

Other mentionable items:

1. If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified:
   (1) The items listed in Article 14-5 of Securities and Exchange Act: Please refer to page 106 to 111.
   (2) Except for the proposal mentioned above, other resolutions which are not approved by Audit Committee but are approved by two-third of directors: None.
2. If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: Please refer to page 106 to 111.
3. Communications between the independent directors, the Company's Chief Internal Auditor and CPAs (e.g. the items, methods and results of audits of corporate finance or operations, etc.)
   (1) The Communications between the independent directors and the Company's chief internal auditor.
      A. Communication method
      The independent directors and the chief internal auditor have at least two closed-door meetings every year, to report the results of execution of internal audit and operation of internal control. In the case of emergency, the meeting may be convened at any time.
      B. The summaries of communication in 2018:

Date	Communication Content	The Company's response
03.23.2018	1. Internal audit findings from Nov 2017 to Jan 2018. 2. Oversea subsidiaries auditing 3. 2017 Internal control statement	No pending issues
05.14.2018	1. Internal audit findings from Feb 2018 to Mar 2018. 2. Cargo claim procedure.	No pending issues
08.13.2018	1. Internal audit findings from Apr 2018 to Jun 2018. 2. Loaning of Funds and Making of Endorsements/ Guarantees auditing procedure	No pending issues
10.08.2018	Internal audit findings from Jul 2018 to Aug 2018.	No pending issues
11.13.2018	Internal audit findings in Sep 2018.	No pending issues
12.21.2018	1. Internal audit findings in Oct 2018. 2. 2019 internal auditing plan.	No pending issues

(2) The Communications between the independent directors and CPAs.

A. Communication method

The independent directors and CPAs have at least two closed-door meetings every year, to report the financial situation and the audit results of the Company and its subsidiaries, and to explain the materially adjusting journal entries and the influence of legislation amendment on accounts. In the case of emergency, the meeting may be convened at any time.

B. The summaries of communication in 2018:

Date	Communication Content	The Company's response
03.23.2018	1. CPAs Report : 2017 Q4 Financial Statement Report review scope and results. 2. CPAs discussed and communicated the problems raised by the independent directors.	None
05.14.2018	1. CPAs Report : 2018 Q1 Financial Statement Report review scope and results. 2. CPAs discussed and communicated the problems raised by the independent directors.	None
08.13.2018	1. CPAs Report : 2018 Q2 Financial Statement Report review scope and results. 2. CPAs discussed and communicated the problems raised by the independent directors.	None
11.13.2018	1. CPAs Report : 2018 Q3 Financial Statement Report review scope and results. 2. CPAs discussed and communicated the problems raised by the independent directors.	None

4. Proposal plan for the Audit Committee in 2019:

Month	Planning Proposal
March	1. To approve 2018 Business Report. 2. To approve 2018 parent-company-only Financial Report and consolidated Financial Report. 3. To approve 2018 earnings distribution. 4. To appoint the Company's certified public accountants and determine their remuneration. 5. To approve the 2018 Declaration of Internal Control.
May	To report 2019 Q1 Consolidated Financial Statement.
August	To report 2019 Q2 Consolidated Financial Statement.
November	To report 2019 Q3 Consolidated Financial Statement.
December	1. To formulate 2020 Internal Audit Plan. 2. To approve 2020 budget.

3. Corporate Governance Implementation Status and Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?	✓		The Board of Directors has approved the "Corporate Governance Best-Practice Principles", which can be found on both the Company's website and Market Observation Post System (MOPS).	None
2. Shareholding structure & shareholders' rights				
(1) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	✓		Stock Department is in charge of handling the issue following the internal control operation procedures.	None
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓		Responsibility assigned to the relevant departments.	None
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	✓		The Company has established risk control measures within the internal control operation procedures.	None
(4) Does the company establish internal rules against insiders trading with undisclosed information?	✓		The Board of Directors has established the "Procedures for Handling Material Inside Information" and "Insider Trading Prevention Management" within the internal control operation procedures to prevent the trading of stocks by insiders.	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
3. Composition and Responsibilities of the Board of Directors				
(1) Does the Board develop and implement a diversified policy for the composition of its members?	✓		1. According to the Company's "Corporate Governance Best-Practice Principles" paragraph 3 of Article 20, the composition of the Board of Directors should considered its diversification. Paragraph 4 of Article 20, the members of the Board of Directors should have professional knowledge, skill and ability. 2. Gender equality in the board members' composition is also deeply concerned by the Company, and the goal of female rate in board members is at least 10%. The current board of directors consists of 8 directors and 1 of whom is a female, which accounts for 12.5% of the board. 3. Please refer to Note 1(page 73) for the information of diversification of the Company's Board of Directors.	None
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?		✓	The Company doesn't voluntarily establish other functional committees.	The Company has established Remuneration Committee and Audit Committee. Board of Directors executes authority according to laws, Articles of Incorporation, resolutions of Shareholders' Meeting and the principle of corporate governance.
(3) Does the company establish a standard to measure the performance of the Board, and implement it annually?	✓		1. The Company established the "Regulations Governing the Board Performance Evaluation", and disclosed it through the Company's	None

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td></td><td></td><td></td><td>official website and the Market Observation Post System (MOPS).
2. The Company shall conduct an internal board performance evaluation at least once a year. In addition, the Company's board performance evaluation may be conducted by an external independent professional institution or a panel of external experts and scholars at least once every three years.
3. The 2018 evaluation results of the performance of the Board of Directors is as follow:
<table>
<tr><th></th><th>The Board evaluation</th><th>The Board members (self) evaluation</th></tr>
<tr><td>Average score (Full score: 3)</td><td>2.84</td><td>2.81</td></tr>
<tr><td>Evaluation Results</td><td>Good</td><td>Good</td></tr>
</table>
The details please refer to the Company's official website.</td><td></td></tr>
<tr><td>(4) Does the company regularly evaluate the independence of CPAs?</td><td>✓</td><td></td><td>The Company annually evaluates the specialization and independence of CPAs. Also, the CPAs have completed independent reports for the appointed auditing affair. The assignment and remuneration of CPAs for the 2019 financial and tax certification has been approved by the Board of Directors on Mar 22, 2019.
The assigned accountants are not directors, supervisors, executive officers, employees or shareholders of the Company or its affiliated companies and have been confirmed as</td><td>None</td></tr>
</table>

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			non-stakeholders, which meets with the government regulations for independent judgment. Please refer to Table 2 for the CPAs independence evaluation (Page 73-74).	
4. Does the TWSE/TPEx Listed Companies establish sections to mainly or concurrently deal with corporate governance business (including but not limited to provide directors and supervisors necessary information, hold Board Meeting or Annual General Meeting, company registration and change registration of company and Minutes of Board of Directors meeting and Annual General Meeting preparation) ?	✓		1. The Stocks Department officer, who has been conducted stock affairs, shareholders' meeting and Board meeting affairs for at least 3 years, is responsible for corporate governance affairs, and is supervised by the top management of Finance Division. The main duties are as follows: (1) To provide information and regulations for Directors to assist Directors to perform their duty. (2) To set up the meeting agenda and minutes of Shareholders' meeting, Board meeting and functional committees' meeting, prepare meeting affairs and file the company registrations application with MOEA according to laws. (3) To hold Directors training course according to industrial characteristics and Directors' needs. 2. The business development in 2018 are as follows: (1) The renewal of directors' & officers' liability insurance of 2019 was reported to the Board on Dec. 21, 2018. (2) The 2018 evaluation results of the performance of the Board of Directors were reported to the Board on Mar. 22, 2019.	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			(3) The Directors training courses were held on Feb. 07, 2018 and Oct. 24, 2018.	
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		"Stakeholder Zone" is set up in the website of the Company, which is divided into investor service, customer service, employee area, complaint mailbox and supplier area. Each area provides the information for contact person and phone number as communication channels with stakeholders. The issues concerned by stakeholders, relevant information and responses to these issues are disclosed in the Corporate Social Responsibility Report in the Corporate Social Responsibility Zone. Based on operation situation and previous experience for editing Corporate Social Responsibility Report, the topics that stakeholders concern are issued and identified by 22 departments of Evergreen Marine Corporation. Please refer to Table 3 (Page 75~76). The Company adopts open and rigorous attitude on Corporate Social Responsibility. The corresponding department will response with comprehension and substance. The process is composed of identification of Corporate Social Responsibility, communication management, materiality analysis about the topics, and proper response to maintain a rapport.	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?		✓	The Company does not assign any agency to be in charge of its shareholder affairs.	Whereas the Stock Department is managed by the Company itself, the Shareholders' Meeting is conducted following government regulations and corporate guidelines to ensure its lawfulness, effectiveness, and safeness.
7. Information Disclosure (1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	✓		1. Financial and Business information: The Company has set up a corporate website (URL: http://www.evergreen-marine.com/) and designated appropriate people to monitor and keep it up-to-date with current information. 2. Corporate governance status: The Company has disclosed the structure of the corporate governance, implementation of functional committees, "Articles of Incorporation", Internal audit organization and implementation situation, corporate governance operation situation, situation of fulfilling social responsibility, labor relations and major shareholder list, and assisting stakeholders to understand the operation of corporate governance. (URL: http://www.evergreen-marine.com/tbi1/jsp/TBI1_Governance.jsp)	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	✓		The Company has established an English website (URL: http://www.evergreen-marine.com/) and spokesperson system for gathering and disclosing information about investor conference information that the Company held or has been invited to over the years, which is disclosed on the Company's website.	None
8. Is there any other important information to facilitate a better understanding of the company's corporate governance practices? (1) Employee rights and employee wellness	✓		1. Employee rights (1) In 2002, the company formulated measures for the prevention and treatment of sexual harassment in the workplace, complaints and disciplinary measures, and set up a mailing box and a dedicated line on the internal website to properly protect the rights and interests of employees. (2) Follow the provisions of the Gender Work Equality Act, treat all employees equally, and arrange appropriate positions based on individual expertise and performance. (3) The company employs female crew members in an innovative employment concept to provide an excellent working environment. Colleagues can learn from each other, respect each other and face work challenges together.	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			(4) Through comprehensive education system planning and one-on-one teacher-apprentice training methods to ensure the normal operation of various businesses, regular performance appraisals, review of employee work performance results, as a reference for their future career development. Supervisors can also enhance two-way communication and coaching through work interviews, strengthen employee performance, and plan the development of their careers. 2. Employee care (1) The company has a staff restaurant to provide free lunch to take care of employees' health and food hygiene. (2) In Taipei, Nanxun and Kaohsiung, there are 24 clubs in three categories: "ball sports, health and wellness, outdoor recreation", which encourage employees to relieve work pressure, connect with feelings and promote physical and mental health. (3) Regularly organize group activities, such as employee travel, basketball games, etc., to enhance employee communication and peer friendship.	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(2) Investor relations	✓		The Company provides a stakeholders section on the website (URL: http://www.evergreen-marine.com/tw/tbf1/jsp/TBF1_FinancialReports.jsp) for Providing investors with information on operations and finances.	None
(3) Supplier relations and rights of stakeholders	✓		Please refer to Corporate Social Responsibility in chapter 3.	None
(4) Directors' training records	✓		The directors of the Company have completed training courses in 2018 according to "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies". Please refer to the MOPS for complete information of the continuing training of the Company's directors.	None
(5) The implementation of risk management policies and risk evaluation measures	✓		Please refer to analysis risk of management in chapter 7.	None
(6) Purchasing insurance for directors and supervisors	✓		The Company has purchased liability insurance for its directors since 2015.	None

9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures.
The directors of the Company have completed training courses in 2018 according to "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies" and the Company will continually encourage directors to attend training courses.

Table 1 Diversification of Board of Directors

Title	Name	Gender	Management	Sea Transport	Finance Accounting	Law	Technology	Government & Supervision
Chairman	Chang, Cheng-Yung	Male	✓	✓				
Director	Chang, Kuo-Hua	Male	✓	✓				
Director	Chang, Kuo-Ming	Male	✓				✓	
Director	Ko, Lee-Ching	Female	✓		✓			
Director	Hsieh, Huey-Chuan	Male	✓	✓				
Independent Director	Yu, Fang-Lai	Male	✓	✓				✓
Independent Director	Chang, Chia-Chee	Male	✓			✓		
Independent Director	Li, Chang-Chou	Male	✓		✓			

Table 2 Independence of CPA

Item	Evaluation	Independence of CPA
1. CPAs and their families did not provide or receive gifts or special offers to top management, directors and supervisors of the Company or its related companies, and did not affect or threaten the independence of the CPAs.	Conformity	Yes
2. CPAs and their families or the management of the firm with supervisory duties did not have the following circumstances during the auditing period: - Serve as a manager, supervisor, or director of the Company or its subsidiaries. - Positioned as one who has a direct and significant influence on the company's accounting records or financial statements.	Conformity	Yes
3. CPAs and their families have not received any awards for non-audit services from the Company or its subsidiaries.	Conformity	Yes

Item	Evaluation	Independence of CPA
4. One who resigned from CPAs or the auditing team did not have the following circumstances: - Acting as a director or supervisor of the Company or affiliated companies (including non-executive directors and supervisors), top management, or one who may have a significant impact on the company's accounting records or the financial statements audited by the firm. - Being promoted to the above positions.	Conformity	Yes
5. During the auditing period, the members of the auditing team did not be employed by the company.	Conformity	Yes
6. CPAs appointed by the company have followed the rotation policy to reduce the threat posed by long-term appointments to independence and impartiality.	Conformity	Yes
7. There are no direct or material indirect financial interests, financial agreements, bank deposits, securities accounts or insurance plans that violate the independence norms between the CPAs and their family members and the Company or its subsidiaries.	Conformity	Yes
8. There is no commercial cooperation or other commercial relationship between the CPAs and their family and the Company.	Conformity	Yes
9. There is no pending or foreseeable lawsuit involving the audit or non-audit services between the CPAs and the subsidiaries to the firm, and no lawsuit which is significant to the firm or the Company.	Conformity	Yes
10. The Company or its subsidiaries do not owed CPA professional fee but having been served.	Conformity	Yes
11. The amount of the professional fee of the company and its subsidiaries would not have an influence on the independence of CPAs.	Conformity	Yes
12. The CPAs and the Cpmmany do not reach an agreement about receiving or paying commission, referral feels or contingent fees.	Conformity	Yes

Table 3 Issues concerned by stakehilders

Item	stakeholder	Issue	Importance to the company	Communication channels, response methods and Communication frequency
1	Supplier	Supplier management Sustainable strategy and practice Risk control Information disclosure Operational performance	Ensure that the products and services provided meeting the Company's requirements	Contact person: Maritech Dept. Mr. Luo E-mail: marpolservice@evergreen-marine.com For other contact persons, please refer to our website, Stakeholder area. URL: https://www.evergreen-marine.com/tw/tbi1/jsp/TBI1_Stakeholder.jsp meeting (1-2 times a year) Supplier evaluation (every year) Equipment efficiency statistics (every month)
2	Client	Product risk Service quality and customer satisfaction Customer privacy protection Shipping management Sustainable strategy and practice	Revenue source of the Company	Contact person: Auditing Dept. Mr. Chen E-mail: aud@evergreen-marine.com Visit (irregularity) Company website (at all times) customer satisfaction survey (1-2 times a year)
3	Employee	Sustainable strategy and practice Salary, benefits and employee care Regulation Compliance Operational performance Corporate governance and integrity management	Members and assets of the Company	Contact person: Human Resources Dept. Ms. Chen E-mail: hrd@evergreen-marine.com Electronic bulletin board (irregularity) Senior director of business meeting instructions (every month) Regular (every month) and irregular meetings Company NOTES operating system (at all times)

Item	stakeholder	Issue	Importance to the company	Communication channels, response methods and Communication frequency
4	Shareholder/ Investor	Sustainable strategy and practice Shipping management Information disclosure Operational performance Risk control	Funder of the Company	Contact person: Stock Dept. Miss Yang TEL: 886-2-2500-1668 Company website investor service area (at all times) Announces important financial or business information on MOPS (Compliance with the regulations of the competent authority) Investor consultation reply (irregularity) Annual report of shareholders' meeting (every year)

4. Composition, Responsibilities and Operations of the Remuneration Committee

A. Professional Qualifications and Independence Analysis of Remuneration Committee Members

Title	Criteria / Name	Meets One of the Following Professional Qualification Requirements, Together with at Least Five Years' Work Experience			Independence Criteria (Note)								Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member
		An instructor or higher position in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the Company in a public or private junior college, college or university	A judge, public prosecutor, attorney, Certified Public Accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the Company	Has work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company	1	2	3	4	5	6	7	8	
Independent Director	Yu, Fang-Lai			✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Independent Director	Chang, Chia-Chee		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Independent Director	Li, Chang-Chou		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	3

Note: Please tick the corresponding boxes that apply to a member during the two years prior to being elected or during the term(s) of office.

1. Not an employee of the Company or any of its affiliates.
2. Not a director or supervisor of affiliated companies. Not applicable in cases where the person is an independent director of the parent company, or any subsidiary as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.
3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company, or ranking in the top 10 in holdings.
4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding three sub-paragraphs.
5. Not a director, supervisor, or employee of a corporate shareholder who directly holds 5% or more of the total number of outstanding shares of the Company, or who holds shares ranking in the top five holdings.
6. Not a director, supervisor, officer, or shareholder holding 5% or more of the shares of a specified company or institution which has a financial or business relationship with the Company.
7. Not a professional individual, who is an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof.
8. Not a person of any conditions defined in Article 30 of the Company Law.

B. The duties of the Remuneration Committee are as follows:

1. Establish and periodically review the performance evaluation and remuneration policy, system, standards, and structure for directors and managers.
2. Periodically evaluate and establish the remuneration of directors and managers.

C. Attendance of Members at Remuneration Committee Meetings

1. The Remuneration Committee is composed of three independent directors.
2. The term of office of current Remuneration Committee is from Jun. 22, 2017 to Jun. 21, 2020. A total of 3 (A) meetings were held in 2018. Please refer to page 106 to 111 for resolutions made by the Remuneration Committee and the attendance of Committee members is as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) [B/A]	Remarks
Convener	Yu, Fang-Lai	3	0	100%	-
Committee Member	Chang, Chia-Chee	3	0	100%	-
Committee Member	Li, Chang-Chou	3	0	100%	-

Other mentionable items:

1. If the Board of Directors decline to adopt or modify a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the Board of Directors, and the Company's response to the remuneration committee's opinion (e.g. the remuneration passed by the Board of Directors exceed the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.
2. Resolutions of the remuneration committee objected to by members or subject to a qualified opinion and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.

5. Corporate Social Responsibility

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Corporate Governance Implementation				
(1) Does the company declare its corporate social responsibility policy and examine the results of the implementation?	✓		The Company's "Evergreen Line Social Responsibility Policy", "Evergreen Line Corporate Social Responsibility Code" and "Evergreen Line Social Responsibility Implementation Measures" were approved by the Board of Directors and announced. The policy is also disclosed on the company's website (URL: http://stock.evergreen.com.tw/download/gv1/rule/2603/en-TW/2603_17.pdf). In addition, the 2017 Evergreen Marine Corporate Social Responsibility Report has been completed and uploaded to MOPS on December 20, 2018 and published on the company's website - "CSR section" (URL: http://www.evergreen -marine.com/tbi1/jsp/TBI1_CSRIndex.jsp) The CSR Committee of the Company regularly reports on the promotion of the work of corporate social responsibility yearly to the Board of Directors, and reviews the implementation results of various issues.	None
(2) Does the company provide educational training on corporate social responsibility on a regular basis?	✓		It's compulsory that each department of the company has to arrange at least 0.5 hours of CSR training course annually.	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company establish exclusively (or concurrently) dedicated first-line managers authorized by the board to be in charge of proposing the corporate social responsibility policies and reporting to the board?	✓		The Evergreen Marine CSR Committee is the dedicated unit for CSR to ensure the continued implementation of sustainable corporate management practices. The CSR Committee is responsible for the formulation and implementation of CSR policies and related management policies. The President serves as the Chairperson of the Committee while the members of the Committee are made up of the heads of each department. The relevant departments in each team are responsible for communicating and responding to stakeholders on the issues concerned. Members of the Committee meet as necessary to discuss economic, environmental, and social issues, and review related activities. The CSR Committee reports its progress and work plans to the Board of Directors once a year. Please refer to Tablel1 for the structure of CSR commitee (page 95).	None
(4) Does the company declare a reasonable salary remuneration policy, and integrate the employee performance appraisal system with its corporate social responsibility policy, as well as establish an effective reward and disciplinary system?	✓		In order to attract and retain quality talent as well as strengthen our global business team, the Company remuneration policy adheres to labor laws and regulations while providing shore and ship personnel with competitive salary which do not differ on the basis of gender, religious, race or political bias. Annual bonuses are paid to employees based on the Company's profitability and individual performance for that year as a reward for outstanding performance.	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			Remuneration for national and foreign mariners must not only meet the minimum wage standards set by the MOTC and the collective bargaining agreement with the International Transport Workers' Federation (ITF). The Company also seeks to recruit talented personnel through compensation that are better than domestic and foreign market rates. No domestic or overseas labor disputes took place in 2018. To fulfill our social responsibility on sustainable corporate development, the Company not only incorporates ship environmental performance, energy-efficiency and fuel-conservation into department targets and employee performance, but also links those to the rewards system. For example, new ships under construction must be green and fuel-saving designs. Once the ship enters operations, an optimum balance must be achieved between ship speed and fuel consumption. The ship's officers, including the captain and chief engineer, must adhere rigorously to environmental regulations during the voyage and are issued bonuses for fuel savings in order to improve our fulfillment of sustainable development goals.	

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
2. Sustainable Environment Development				
(1) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	✓		The Company is cautiously abiding by international environmental protection conventions and environmental protection regulations of various regions, and is committed to pollution prevention, energy conservation and greenhouse gas reduction, and protects our planet. Strict standards and operating procedures are provided for all environmental protection and pollution prevention and control matters for ships sailing at sea. The Company uses various operational management measures, emission reduction strategies, optimizing ship design to reduce ship energy consumption, and continuously introducing a new generation of environmentally friendly ships, reducing pollution and greenhouse gas emissions, in order to contribute to the earth's environmental protection. The building of Evergreen Marine adheres to an energy-saving policy, in order to achieve energy-saving goals and eliminate energy waste, in addition to large-scale air-conditioning mainframes using high-energy-saving and electric-saving motors, the office lighting part has been completely changed into LED lamps for energy-saving, through active management to control high energy consumption and long-time use of equipment. If the refrigerator is broken, we will replace it by the energy-saving refrigerator. When an official vehicle is replaced, a	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			vehicle with less fuel consumption will be purchased. Over 50% of the chassis at Kaohsiung terminal have now been upgraded with all-rubber tires. We expect all dock-side chassis to be fitted with rubber tires in the future, a move that will reduce the complexity of recycling and associated environmental pollution.	
(2) Does the company establish proper environmental management systems based on the characteristics of their industries?	✓		The company has a risk management mechanism to provide a safe and healthy working environment for all staff in Evergreen. Evergreen's fleet management system has been certified by the American Society of Surveyors (ABS) for comprehensive auditing at the level of safety and environmental management, and issued a certificate of "Certificate of Company Compliance on Marine Safety & Environmental Management". Evergreen meets the requirements of the three international standards of ISM Code, Quality Management (ISO9001) and Environmental Management (ISO14001) in onshore logistics management and maritime operations.	None
(3) Does the company monitor the impact of climate change on its operations and conduct greenhouse gas inspections, as well as establish company strategies for energy conservation and carbon reduction?	✓		The global extreme weather and climate events are a challenge we must face. For the Evergreen fleet, bad weather is the most serious climate change, posing a huge threat to the safety of ships on the sea. Taking into account the safety of the fleet, Evergreen seeks to cooperate with Japan's WNI (Weathernews Inc.) for	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			long-term cooperation to provide worldwide major marine weather forecasting and consulting services so that ships sailing around the world can obtain the weather information of local waters as soon as possible in order to take appropriate navigation plans. Ensure safe navigation. Evergreen has monitored the fuel consumption and host operation status of each ship of the fleet in time to ensure the propulsion performance of the main engine. Each vessel also feeds back the total fuel consumption and total navigation distance of the month to the total at the end of each month. The company's ship management unit is used to calculate the carbon dioxide emissions, so as to monitor the greenhouse gas emissions of the entire fleet and achieve the fleet's carbon reduction targets. The company currently takes the following measures to reduce greenhouse gas emissions: 1 Slow down the speed of the ship and sail at a low speed 2. Continuous monitoring of ship fuel consumption and engine operations to ensure the main engine is working efficiently 3. Use the weather navigation to provide the fleet with real-time weather information and routes that optimize fuel efficiency 4. Improve cargo handling efficiency to shorten port stays 5. Planning of ship cargo loads to maximize economic returns	

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			6. Application of special anti-fouling paint to ship hulls 7. Voluntarily participate in environmental and ecological protection program The CO_2 reduction targets have been set. A 40% reduction in CO_2 emissions by 2020 is planned with 2007 as the baseline. The long-term target is to reduce the emission rate by 70% in 2050. And in 2018, the emissions rate achieved a reduction of 36.2% compared to 2007.	
3. Preserving Public Welfare (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		The Company takes its social responsibility very seriously as a leader in the global container shipping industry. Our CSR policy applies to all branches and agencies around the world. We are committed to conforming with policies and regulations on anti-bribery/anti-corruption, anti-discrimination, environmental protection, fair risk assessment and control, and competition compliance (http://www.evergreen-line.com/tw/static/jsp/csr.jsp). Evergreen Marine adheres to the local labor and gender equality in employment laws of our global operating sites. We also support international guidelines and principles relating to human rights including the "UN Universal Declaration of Human Rights," the fundamental conventions and core labor standards of the "International Labor Organization", prohibit all forms of discrimination, bullying and harassment, prohibit the use of forced	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			and child labor, and protect employees' work rights. On Evergreen ships, all crew members, whether they are from Taiwan, China, the Philippines, Vietnam, Indonesia, Myanmar or Panama, or whether they believe in Buddhism, Taoism, Confucianism, Islam, Catholicism or Christianity, embrace the spirit of fellowship in respecting and tolerating each other's religious beliefs and dietary traditions. Everyone gets along harmoniously and happily with everyone while working aboard the ship. There were no complaints of racial, religious, or gender discrimination in the workplace by ship crew members in 2018. Employers are banned from employing children under the age of 15 for manual labor. The Company adheres strictly to the relevant labor laws and regulations. Fleet seamen recruiting guidelines also conform to the Seafarer Act in requiring all applicants to be over the age of 16 so child labor has never been used by Evergreen Marine.	
(2) Has the company set up an employee hotline or grievance mechanism to handle complaints with appropriate solutions?	✓		The Company has established the "Employee Complaint Regulations" as a basis for the employees to seek redress for violations of their rights, unfair treatment, or illegal behavior by other employees. It regulates the scope and the procedures to file a complaint, and the latest date of a response from the Company. The measures protect employees' rights while maintaining harmonious	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			labor-management relations. The identity of the complainant and the contents of the complaint are kept confidential. The complainant is protected from any inappropriate treatment due to the complaint. To protect employees against sexual harassment and gender discrimination, the Company introduced the "Regulations Governing the Prevention, Reporting and Punishment of Sexual Harassment in the Workplace" to uphold gender equality in employment and personal dignity by providing clear avenues for complaint and a telephone hotline. We irregularly promote harmonious gender relations and respect in the workplace. Disciplinary measures or other actions will be taken against the offender based on the severity of the offense if a complaint of sexual harassment is found to be true. There were no complaints of sexual harassment in the workplace in 2018.	
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		The Company has established an occupational safety and health department according to law and deployed safety and health management personnel to formulate, plan, and promote occupational safety and health business, so as to effectively prevent the occurrence of occupational disasters. The relevant measures are as follows: 1. Establish safety and health codes of practice in accordance with the Occupational Safety and Health Act. Announce it to employees and require them to comply.	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			2. Conduct safety and health education and training for junior and senior staff in accordance with the Occupational Safety and Health Law. 3. Conduct fire safety education and training for employees in accordance with the provisions of the Fire Protection Law. 4. Provide regular health checkups and medical consultations for employees. 5. Establish a 24-hour security alert to ensure the company's property and personnel safety.	
(4) Does the company setup a communication channel with employees on a regular basis, as well as reasonably inform employees of any significant changes in operations that may have an impact on them?	✓		The Company values mutual communication and ensure smooth labor-management communications. Channels such as monthly departmental meetings, e-Bulletin boards, employee training, and crew forums are used to establish mechanisms for effective regular or two-way communications with employees. Top management communicate the change of business environment, performance and business directions to employees at all levels through directions issued at monthly business meetings or ad hoc morale speeches. Under the enforcement rules for labor management meetings, labor-management meetings at Evergreen Marine are convened at least once every three months. A total of 4 labor-management meetings were held in 2018. Key resolutions include extended work hours, night-shifts for employees, attendance during natural disasters,	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			day-and-night shifts, and the employee work calendar for 2019. We work to build smooth communication and harmonious relations between both the labor and management through labor-management meetings, negotiations and conferences.	
(5) Does the company provide its employees with career development and training sessions?	✓		The Company has always embraced the philosophy that "talents are the most important assets of an enterprise". We offer equal work opportunities to young people and patiently teach them everything from scratch. Current employees are provided with a range of solid, professional training courses and a proactive rotation scheme. Employees' professional abilities and international horizons are honed through "rotation and expatriate assignment" in order to boost our operating performance. The training expenses for both shore and ship personnel totaled 7 million in 2018. An innovative "ship-shore rotation" system at Evergreen also provides ship personnel with the opportunity to work on shore. The professional knowledge of outstanding ship personnel helps to ensure that the ship scheduling, freight space configuration, terminal loading/unloading and ship maintenance operations will also satisfy the needs of operations at sea. The overall efficiency of the service chain can then be improved. Ship personnel can also take advantage of the ship-shore rotations and expatriate assignment system to further their	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			developments at sea and on land, and to look after their families.	
(6) Does the company establish any consumer protection mechanisms and appealing procedures regarding research development, purchasing, producing, operating and service?	✓		The Company establishes a channel for customer complaints and reports on the stakeholder zone and website, and the Auditing Department submits it to the relevant units for investigation and feedback to the customer. After the relevant units finish the case, the result is reported to the Auditing Department. The Auditing Department collects monthly complaints and results, and then reports them to Top Management. Customers can file a complaint at the following URL: 1. http://www.evergreen-marine.com 2. http://www.evergreen-line.com 3. http://www.shipmentlink.com	None
(7) Does the company advertise and label its goods and services according to relevant regulations and international standards?	✓		The company has established the "Evergreen Line Corporate Social Responsibility Policy" and related operating procedures. The global subsidiaries and agents should abide by the commitments of anti-bribery, anti-corruption and anti-discrimination in their business activities. And strive to avoid pollution and improve marine environment. The company has a competition law compliance manual that complies with the requirements of the competition law, and is committed to complying with global competition laws and will never breach competition laws.	None
(8) Does the company evaluate the records of suppliers' impact on the environment and society before taking on business partnerships?	✓		The company has "Supplier Evaluation Procedures" to evaluate at least once a year for qualified suppliers who provide goods and services that will affect our service quality. In addition, in order to	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			fulfill social responsibilities with suppliers, the company conducted surveys and evaluations in 2018 on suppliers' environmental issues, labor practices, human rights, fair trade practices, and sustainable procurement. The survey results also serve as a reference for the company's choice of suppliers. Before doing business with suppliers, the company will also assess whether the supplier has any record which affects the environment and society, avoid trading with them, and strive to comply with environmental protection, safety, and health issues with suppliers.	
(9) Do the contracts between the company and its major suppliers include termination clauses which come into force once the suppliers breach the corporate social responsibility policy and cause appreciable impact on the environment and society?	✓		In addition to quality of the products delivered, the company's choice of suppliers includes a safe working environment, ethics, and honest management, etc. When signing a contract with a major supplier, it is also required to put in clauses regarding the corporate social responsibility policy that should be abided by both parties, and if the supplier violates the same and has a significant impact on the environment, safety and health of the community, the contract may be terminated at any time.	None
4. Enhancing Information Disclosure (1) Does the company disclose relevant and reliable information regarding its corporate social responsibility on its website and the Market Observation Post System (MOPS)?	✓		Our stakeholders can inquire the information about the company's corporate social responsibility reports on below websites: 1. Corporate Social Responsibility Zone (website: http://www.evergreen-marine.com/tbi1/jsp/TBI1_CSRIndex.jsp)	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			2. "Stakeholder Zone" (website: http://www.evergreen-marine.com/tw/tbi1/jsp/TBI1_Stakeholder.jsp) 3. MOPS	

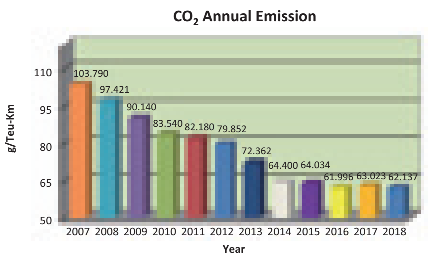
5. If the Company has established the corporate social responsibility principles based on "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies", please describe any discrepancy between the Principles and their implementation:
   The Company has formulated the "Evergreen Line Corporate Social Responsibility Code" and the " Evergreen Line Corporate Social Responsibility Implementation Measures" and operates according to all of them.

6. Other important information to facilitate better understanding of the company's corporate social responsibility practices:
   (1) Environmental Protection
   The company implements the environmental protection concept in its fleet planning, adopts the most advanced shipbuilding technology and equipment, and builds an environmental protection fleet to contribute to the sustainable development of transportation services and the marine environment that international trade relies on.
   In August 2015, the Company ordered ten new 2,800 TEU "B" container vessels from CSBC Taiwan. The ten Gen 3 B-type ships under construction with CSBC Taiwan are equipped with the latest sword bow developed by the shipyard. The bow can handle different drafts and speeds while effectively reducing wave resistance and drag when the ship is in motion to optimize ship speed and engine performance. Fuel efficiency is improved by 10% compared to the conventional bulbous bow. The main engine uses an electronic control engine that complies with the International Maritime Organization (IMO) Level 2 NOx emission standards, which reduces NOx emissions by 20%. The ship is designed to meet the 2015 Energy Efficiency Design Index (EEDI) standards.
   In the management of ships, the waste, sewage, and exhaust emissions generated by ships are minimized through advanced soft and hard facilities. Standard operating procedures are adopted to monitor the emissions of sulfides and nitrides, and proper management of ballast water, sewage, and garbage to prevent oil pollution and refrigerant leakage.
   In addition to the above-mentioned control measures, the latest ship weather navigation system is also adopted to provide the safest and most fuel-efficient route to the individual general reference. The energy saving and carbon reduction can be achieved with a minimum of fuel consumption.
   Each ship is equipped with a ship's load stability calculation system approved by the Classification Society to quickly calculate the optimum trim, draft, weight and hull stress distribution under any load conditions. To ensure optimal driving efficiency in a safe and secure situation.
   Evergreen Line voluntarily participates in the Vessel Speed Reduction Program, lead by NOAA's Channel Islands National Marine Sanctuary. The practical action to avoid whale collisions and reduce greenhouse gas emissions of vessels has been honored with an environmental protection award.
   The "Environmental Guardians" page on our website was constantly maintained so as to proactively share our environmental protection measures and the related information of environmental protection.

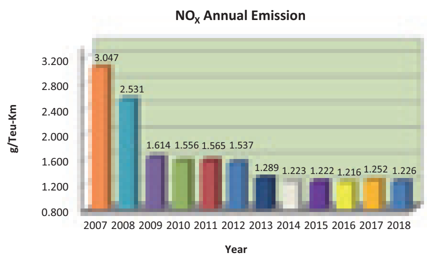
Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	

✻ Historical environmental data

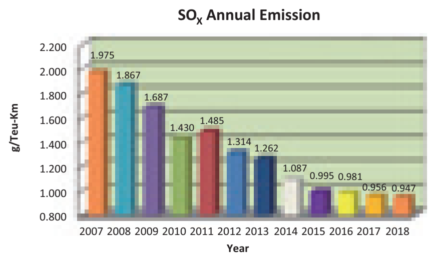
■ CO_2



■ NOx



■ SOx



Note: The greenhouse gas emission information of the Company in 2017 and 2018 is verified by Class NK.

(2) Contributions to Society

A. Evergreen Marine and Evergreen Maritime Museum Encourages Young Artists through the Children's Ocean Painting Contest

The Sixth Taiwanese Elementary School Children's Ocean Painting Contest, held by Evergreen Maritime Museum and Evergreen Marine, took place on June 24, 2018. Evergreen Marine invited veteran captain Huang, dressed in uniform, to be the award presenter. Many Evergreen Marine staff members led children in a sing-along session. This year's selection included 42 works, including 15 in the "Angels" category. This category was created for physically and mentally impaired children who would find it difficult to create paintings at the museum. Their entries were based on recommendation by school teachers.

B. Evergreen Marine Holds Coastal Cleanup at Zhongyun Beach in Kaohsiung

Evergreen Marine has long been devoted to marine environmental protection. On November 13, 2018, Evergreen Marine's Kaohsiung Terminal Division and The ROC Society of the Wilderness collaboratively held the "2018 Love of Endless Ocean Coastal Cleanup" at Zhongyun Beach in Linyuan District of Kaohsiung city. On the day of the activity, more than 47.9 kg of waste – including plastic bags, food wrappers, straws, lighters, and medical waste like needles were collected. Evergreen Marine hopes that through such activities, we can learn to preserve the earth's resources through both removing trash from the ocean and finding ways to reduce environmental contamination in the first place.

C. New Immigrant Children Visit the Evergreen Maritime Museum

The National Immigration Agency organized the 2018 New Immigrant Children Rising Star Training Camp, where participants visited businesses and attended careers seminars. On July 17, 2018, nearly 50 college and senior high school students arrived at the Evergreen Maritime Museum to enjoy a guided tour of the museum and attend a careers seminar organized by Evergreen Marine. The company's lecturers presented an overview of seafarers' work, ship facilities and the sea-shore rotation system. The speakers answered the students' many questions, such as how to qualify for maritime jobs and encourage all participants to have the courage to pursue their dreams and become seafarers.

D. Chang Yung-Fa Foundation Provides Grants to Students in Mainland China

December is a "month of financial support to students" for the Chang Yung-Fa Foundation, which provides grants to students from economically underprivileged families to help them finish their studies. Like before,

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	

the Foundation invited Evergreen Marine to attend the award ceremony for student grants provided by the Foundation through the China Institute of Navigation and to give speeches on career development. The event was held in Nanjing this year and over 250 students attended the seminar.

E. Evergreen Family Day

Evergreen Marine Family Day for employees in Northern Taiwan were held respectively on the 20 and 27 of October 2018. 777 employees and their families attended the one-day trip and for the first time taking the Cruise Train to Hualian. Moreover, 301 employees and their family members in Southern Taiwan attended a one-day tour to Tainan and Chiayi in December.

F. Sponsoring the Evergreen Symphony Orchestra Performance

Evergreen Marine sponsored five "Journey of Classics and Impressionism" concerts at the National Concert Hall in 2018. 2000 free tickets were given to employees and their families, customers, and several non-profit organizations. Besides praising arts and culture activities in Taiwan highly, Evergreen Marine continually assists excellent foreign performance groups by transporting stage props and equipment to Taiwan, including Moscow Classical Ballet: Swan Lake and The Musical: Mozart L'Opéra Rock. In so doing, Taiwanese get the opportunity to enjoy genuine world-class arts and advance their cultural appreciation without having to travel abroad. This not only facilitates international and domestic cultural exchanges, but also helps to develop a global perspective.

G. Marine Officers Cultivation and Academic-Industrial Partnership

(1) Post-Baccalaureate of Shipping Technology Program: There were 31 students enrolled in the Post-Baccalaureate of Shipping Technology Program under the partnership between Evergreen and National Kaohsiung University of Science and Technology. 30 of them had passed the 2018 Seafarer Examination and joined our vessels as deck cadets. They will get the Deck Officer Certificate after 12-month training on board, and continue serving in Evergreen fleet.

(2) Post-Baccalaureate of Marine Engineering Program: Collaborated with National Taiwan Ocean University, the 2nd Post-Baccalaureate of Marine Engineering Program with 17 enrollment had started from Sep. 2018.

(3) Maritime university student on board training: Evergreen provided total 139 trainee capacities on board in 2018 for deck and engineering students, including 58 from National Kaohsiung University of Science and Technology, 28 from Taipei University of Marine Technology and 53 from National Taiwan Ocean University.

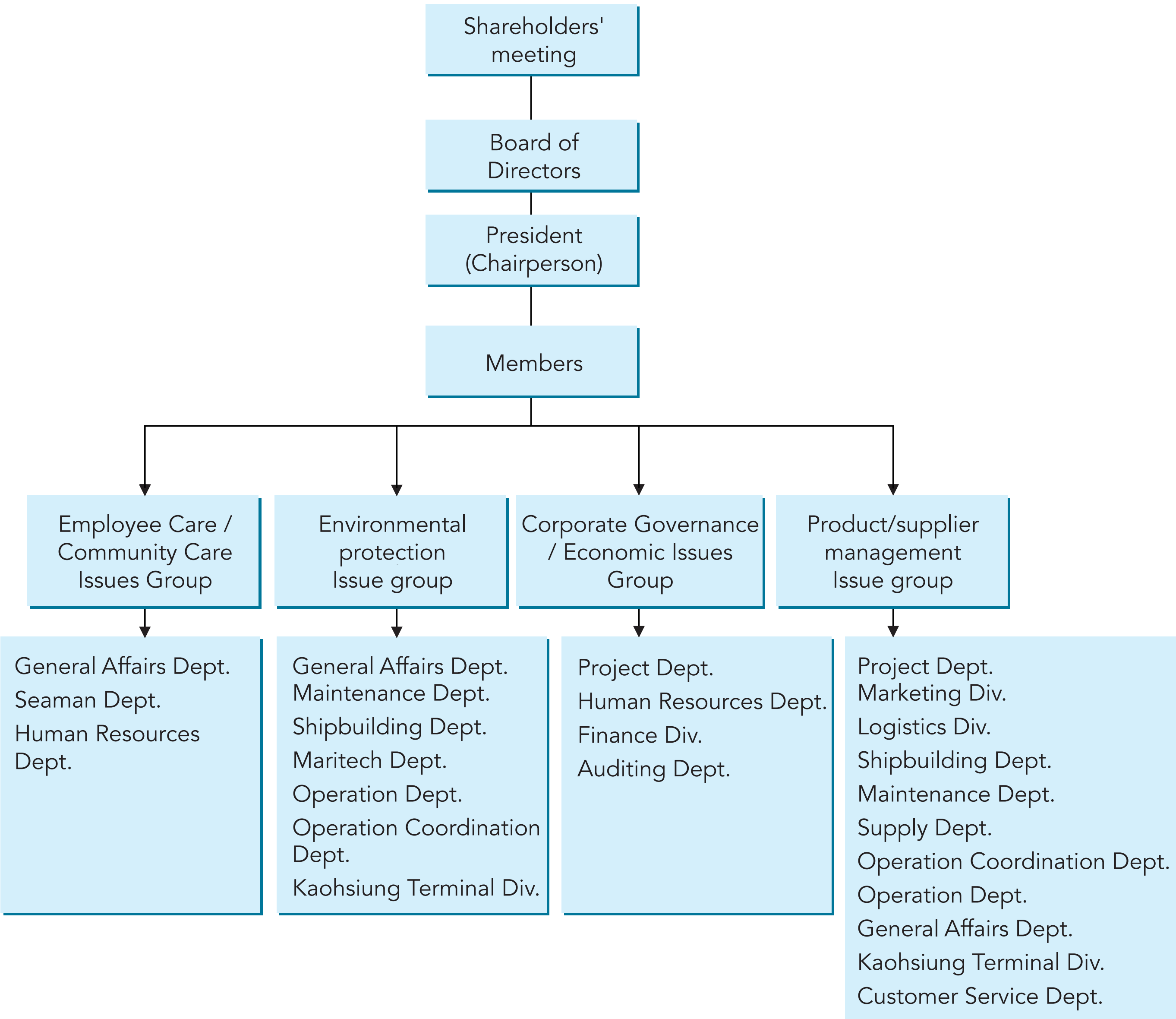
(4) Maritime university student in office apprentice during summer vacation: In May of 2018, Evergreen recruited 7 deck and engineering students from 3 Maritime universities to be apprentices in our Maritech and Maintenance Departments.

(5) Working Practice Tuition and Career Workshop: Worked with National Taiwan Ocean University in 2018 Academic Year, maritime-background lecturers from Evergreen to provide various themed courses to fulfill their training needs in "Evergreen Elite Lecture" in order to invite them to join Evergreen.

We also send our experienced Master/Chief Engineer to give lectures on working practice about deck and engineering department to maritime students in accordance with their requirements. Furthermore, supervisors in office hold Career Workshops periodically to deliver the correct concept about working on board, to introduce jobs on board, to share lives on board and exotic experience abroad. Hopefully it could encourage young students to apply for a maritime career.

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
7. A clear statement shall be made below if the corporate social responsibility reports were verified by external certification institutions: The company’s 2018 Corporate Social Responsibility Report will be conducted assurance by CPA in accordance with the ROC Statements of Assurance Engagements Standards No.1 “Assurance Engagements other than Audits or Reviews of Historical Financial Information”.				

Table1 The structure of corporate social responsibility committee



6. Ethical Corporate Management

Evaluation Item	Implementation Status			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs				
(1) Does the company declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its board to implement the policies?	✓		The Company's Ethical Corporate Management Best-Practice Principles, established in 2014, is a guideline to provide high ethical standards for all employees. The principles are disclosed on the Company website and e-bulletin board. The Board of Directors and the management place the greatest importance in adopting the highest standards of integrity and ethics in corporate management and employee work conduct.	None
(2) Does the company establish policies to prevent unethical conduct with clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, rules of appeal, and the commitment to implement the policies?	✓		The Company's Procedures for Ethical Management and Guidelines for Conduct have established preventive measures against unethical conduct, offering and accepting bribes and improper benefits, or being present in the meeting involving any potential conflict of interest. The aforementioned principles and regulations also cover systems for rewards, penalties, complaints, and related disciplinary measures. Human Resources Department (HRD) is responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs to achieve sound ethical corporate management.	None

Evaluation Item	Implementation Status			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company establish appropriate precautions against high-potential unethical conducts or listed activities stated in Article 2, Paragraph 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies?	✓		The Company has incorporated procedures for ethical management and guidelines for conduct in "Ethical Corporate Management Best-Practice Principles" to prevent unethical behavior in higher risk operating activities stipulated by "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" Article 7 Paragraph 2.	None
2. Fulfill operations integrity policy (1) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	✓		The company has standardized the requirements for the integrity record assessment and the signing of the integrity behavior clause in the Code of Integrity. The company conducts various business activities and needs to assess the necessary integrity records of the parties. The various contracts are reviewed by the company's legal department. If the content violates the integrity management policy, the company may cancel or suspend the relevant contract.	None
(2) Does the company establish an exclusively (or concurrently) dedicated unit supervised by the Board to be in charge of corporate integrity?	✓		The Company designated the Human Resources Department (HRD) to be responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. HRD shall be in charge of assisting the Board of Directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on assessment of compliance with ethical management.	None

Evaluation Item	Implementation Status			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			in operating procedures in every December. (1) Policies on Ethical Management In order to prevent any unethical conduct from employees, the Company's top management emphasized the importance of honesty and integrity in the monthly management meetings held in February and July 2018. Moreover, cost-related departments need to increase all vendors' bases and select the ones which are most qualified in terms of cost and quality. Top management also reiterated that the Company shall engage in business activities in accordance with the competition laws and regulations. (2) Training on Corporate Governance The Company organized the "Introduction to Corporate Governance" online course to all managerial levels and 341 managers completed the course and successfully passed the test in 2018. The HRD hosted "Ethical management and morality" orientation courses for five intakes in 2018 and 53 new employees completed the training. (3) Employee Complaint mailbox The Company has established an independent reporting mailbox (comment@evergreen-marine.com) for internal and external personnel. We did not receive any complaints via the official complaint system in 2018.	

Evaluation Item	Implementation Status			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		To prevent conflicts of interests and provide appropriate communication channels, the Company established the Ethical Corporate Management Best-Practice Principles, Procedures for Ethical Management and Guidelines for Conduct in 2014 and 2015 respectively. Through internal control system, audit system and all kinds of management regulations, the Company ensures that the enforcement of the systems are showing results.	None
(4) Has the company established effective systems for both accounting and internal control to facilitate ethical corporate management, and are they audited by either internal auditors or CPAs on a regular basis?	✓		The Company has established an accounting system, internal control system and internal audit implementation rules. The internal audit unit conducts an internal audit to check the implementation of the internal control system and continuously review the company's operating procedures every year.	None
(5) Does the company regularly hold internal and external educational trainings on operational integrity?	✓		The Company delivers integrity policies through various channels, such as monthly departmental meetings, e-Bulletin Board, and management's remarks. For new employees, 5 sessions of training on ethical rules, conflicts of interest, business morals, and all other related subjects are carried out during the orientation training for 53 new employees in 2018. In addition, a new on-line course "Introduction to Corporate Governance" to managers at all levels was introduced. There were 341 managers completed the course and successfully passed test in 2018.	None

Evaluation Item	Implementation Status			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
3. Operation of the integrity channel				
(1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	✓		The Company has established the "Employee Complaint Regulations" as a basis for the employees to seek redress for violations of their rights, unfair treatment, or illegal behavior by other employees. An independent reporting mailbox is set up for internal and external personnel. This mailbox is under the responsibility of a designated person. (comment@evergreen-marine.com)	None
(2) Does the company establish standard operating procedures for confidential reporting on investigating accusation cases?	✓		The procedure of general whistle-blowing cases shall apply to the company grievance and appeal policies. The complainer may raise the case verbally or in writing. The Company then should make records, investigate and give a response to the complainer within 10 working days. The identity of the whistleblower and the contents of the complaint are kept confidential. The whistleblower is protected from any inappropriate treatment due to the complaint.	None
(3) Does the company provide proper whistleblower protection?	✓		The Company takes whistleblower protection seriously and cases will be handled by designated Human Resources Managers. The Company shall promise confidentiality of the identity of whistle-blowers and the content of reported cases and measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.	None

Evaluation Item	Implementation Status			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
4. Strengthening information disclosure (1) Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?	✓		The Company's Ethical Corporate Management Best-Practice Principles and the results of our implementation have been posted on the Company's website. It also disclosed the effectiveness of the integrity management in the "Integrity Management Section".	None
5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the policies and their implementation: None				
6. Other important information to facilitate a better understanding of the company's ethical corporate management policies (e.g., review and amend its policies): None				

7. Corporate Governance Guidelines and Regulations

Details can be found on http://www.evergreen-marine.com/tw/tbi1/jsp/TBI1_Governance.jsp or http://mops.twse.com.tw.

8. Other Important Information Regarding Corporate Governance

(1) The Company was ranked in the top 5% of publicly listed companies throughout 2015 to 2017 and 2019 Corporate Governance Evaluation conducted by TWSE. And ranked between the top 6~20% of public listed companies in 2018.

(2) The status of management level attending corporate governance related continuing education/ training in 2018:

Name and Title	Date	Professional Organization	Training sessions and hours
Hsieh, Huey-Chuan President	Feb. 7, 2018	Taiwan Institute for Sustainable Energy	Corporate Sustainability and Corporate Prosperity/ 3 hours
	Oct. 24, 2018	Taiwan Institute of Directors	The Crises and Opportunities of Global Rebalancing/ 3 hours
Wu, Kuang-Hui Chief Executive Vice President	Feb. 7, 2018	Taiwan Institute for Sustainable Energy	Corporate Sustainability and Corporate Prosperity/ 3hours
	Oct. 24, 2018	Taiwan Institute of Directors	The Crises and Opportunities under the Global Rebalancing/ 3 hours

(3) The training courses condition for Auditing personel and Accounting officer

A. Auditing personnel

Name	Date	Professional Organization	Training sessions and hours	Certificate
Wu, Yu-Chi	1. Mar. 16, 2018 2. Sep. 03, 2018	1. Securities & Futures Institute 2. Accounting Reach and Development Foundation	1. How to effectively achieve auditing goals of operational and compliance check./6 hours 2. The internal control practice of the internal auditing under the new IFRS16/6 hours	—
Wang, Jun-Yue	1. Jan. 25, 2018 2. Apr. 16, 2018	Accounting Reach and Development Foundation	1. How do internal auditors do in risk detection and crisis response/6 hrs 2. Analysis of the "disclosure incident" of the enterprise and the "business secret law"/ 6 hours	—
Leu, Lii-Yi	1. Jun. 20, 2018 2. Nov. 09, 2019	The Institute of Internal Auditors-Chinese Taiwan	1. Financial analysis indicator interpretation and business risk prevention/6 hours 2. Computer Aided Check Technology and Data Analysis/6 hours	—

Name	Date	Professional Organization	Training sessions and hours	Certificate
Dai, Gwo-Woei	1. May. 29, 2018 2. Sep. 17, 2018	Accounting Reach and Development Foundation	1. Analysis of the internal control practices of the latest labor law amendments and recent malpractice/6 hrs 2. The impact of the latest "Company Law" amendment on the internal control practice of internal auditing and its response/6 hours	Enterprise Internal Control Basic Ability certificate
Chiu, Chao-Hui	1. Mar. 28, 2018 2. Sep. 04, 2018	1. The Institute of Internal Auditors-Chinese Taiwan 2. Accounting Reach and Development Foundation	1. Strategic project verification/6 hrs 2. Auditing and Control Practices for Enterprises' "Cost Savings" and "Competitive Strategies" /6 hours	Certified Internal Auditor certificate
Yang, Chung-Chi	Jul. 09, 2018~ Jul. 11, 2018	Securities and Futures Institute	Pre-employment training workshop for internal auditors/18 hours	—
Chen, Hsiang-Yu	1. Apr. 24, 2018 2. Sep. 21, 2018	The Institute of Internal Auditors-Chinese Taiwan	1. Financial analysis indicator interpretation and business risk prevention/6 hours 2. How to use the EXCEL to enhance the audit and financial efficiency practice workshop/6 hours	—
Wang, Su-Chin	1. Mar. 28, 2018 2. Aug. 15, 2018	The Institute of Internal Auditors-Chinese Taiwan	1. Strategic project auditing/6 hours 2. Data analysis by actual case practice/6 hours	—

B. Accounting Officer

CHANG, CHUAN-FU the Accounting Officer of the Company, has participated in the continuing education course held by the training institution as determined by the competent authority for 12 hours in accordance with Article 6 of the "Eligibility Rules for the Accounting Officer of the Issuer's Securities Exchange and the Professional Training Method".

Name	Date	Professional Organization	Training sessions and hours
Chang, Chuan-Fu	Oct. 04, 2018~ Oct. 05, 2018	Accounting Research and Development Foundation	Accounting officer Continuing Education Course (Financial Accounting Standards, Finance, Corporate Governance, Ethics and Legal Responsibility)/12 hours
	Feb. 07, 2018	Taiwan Institute for Sustainable Energy	Corporate Sustainability and Corporate Prosperity/ 3 hours
	Oct. 24, 2018	Taiwan Institute Of Directors	The Crises and Opportunities of Global Rebalancing/ 3 hours

(4) The company has established "internal major information processing procedures"

In order to establish a good internal information processing and disclosure mechanism, the company passed the “Internal Major Information Processing Procedures” on December 22, 2014 and was disclosed on the company's website for the directors, supervisors, managers and employee of the Company to follow as a basis for avoiding violations or internal transactions.

9. Internal Control Systems

(1) Internal Control System Execution Status

Evergreen Marine Corp. (Taiwan) LTD.
Internal Control Statement

Date: Mar. 22, 2019

The Company states the following with regard to its internal control system during the period from Jan. 1, 2018 to Dec. 31, 2018, based on the findings of self-evaluation:

A. The Company is fully aware that establishing, operating, and maintaining an internal control system are the responsibility of its Board of Directors and management. The Company has established such a system aimed at providing reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profits, performance, and safeguard of asset security), reliability, timeliness, transparency of reporting, and compliance with applicable laws and regulations.

B. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three goals mentioned above. Furthermore, the effectiveness of an internal control system may change along with changes in environment or circumstances. The internal control system of the Company contains self-monitoring mechanisms, however, and the Company takes corrective actions as soon as a deficiency is identified.

C. The Company judges the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies promulgated by the Securities and Futures Commission, Ministry of Finance (hereinbelow, the "Regulations"). The internal control system judgment criteria adopted by the Regulations divide internal control into five elements based on the process of management control: 1. Control environment 2. Risk assessment 3. Control activities 4. Information and communications 5. Monitoring. Each element further contains several items. Please refer to the Regulations for details.

D. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.

E. Based on the findings of the evaluation mentioned in the preceding paragraph, the Company believes that during the stated time period its internal control system (including its supervision of subsidiaries), encompassing internal controls for knowledge of the degree of achievement of operational effectiveness and efficiency objectives, reliability, timeliness, transparency of reporting, and compliance with applicable laws and regulations, was effectively designed and operating, and reasonably assured the achievement of the above-stated objectives.

F. This Statement will become a major part of the content of the Company's Annual Report and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.

G. This statement has been passed by the Board of Directors Meeting of the Company held on Mar. 22, 2019, where zero of the 8 attending directors (include commissioned to attend) expressed dissenting opinions, and all affirmed the contents of this Statement.

Evergreen Marine Corp. (Taiwan) LTD.

Chairman:

President:

10. Major Resolutions of Shareholders' Meeting and Board Meetings

(1) Major Shareholders' Meeting Resolutions

A. To approve 2017 earning distribution and the issuance of new shares for capital increase by earnings recapitalization.

a. Cash dividends to common shareholders is NTD 0.2 per share, with total NTD 802,471,198. Stock dividends to common shareholders is 50 shares per thousand shares, total 200,617,800 shares are distributed and par value is NTD 10 per share.

b. To authorize the Chairman to adjust ratios of the stock dividends and cash dividends if the number of total outstanding shares is changed.

Execution:

a. The Board Meeting held on August 13, 2018 resolved September 4, 2018 as dividend record date.

b. The cash dividend was distributed on September 27, 2018. The change of the Company registration was approved by Commerce Department, Ministry of Economic Affairs (No. 10701115880) on September 18, 2018. The new stocks were distributed to shareholders and listed in the stock exchange market on October 4, 2018.

(2) Major Board of Director Meeting's Resolutions

Board Meeting Date	Major Proposals	The resolution of Audit Committee or Remuneration Committee	The Company's response to the opinions of Audit Committee or Remuneration Committee
Jan. 12, 2018 (1st Board Meeting of 2018)	To approve building and long term charter of container vessels of Evergreen Marine (Hong Kong) Ltd. and Greencompass Marine S.A., the subsidiaries of EMC.	Approved unanimously by Audit Committee members	None
Mar. 23, 2018 (2nd Board Meeting of 2018)	1. To ratify building and long term charter of container vessels of Evergreen Marine (Hong Kong) Ltd. and Greencompass Marine S.A., the subsidiaries of EMC. 2. To ratify the procurement of the Exhaust Gas Cleaning Systems for fleets owned by the Company and its subsidiaries, Greencompass Marine S.A. and Evergreen Marine (UK) Ltd. 3. To ratify the acquisition of new dry container of Evergreen Marine (Hong Kong) Ltd., a subsidiary of EMC. 4. To approve the acquisition of new reefer container from "China International Marine Containers (Group) Ltd. (CIMC)". 5. To approve purchasing the reefer machine from "Carrier Transicold Pte. Ltd." and the reefer Remote monitoring modem from "Emerson Climate Technologies". 6. To approve 2017 Business Report. 7. To approve 2017 Parent-company-only Financial Report and Consolidated Financial Report.	Approved unanimously by Audit Committee members	None

Board Meeting Date	Major Proposals	The resolution of Audit Committee or Remuneration Committee	The Company's response to the opinions of Audit Committee or Remuneration Committee
	8. To approve the earnings distribution of 2017. 9. To approve the issuance of new shares for capital increase by earnings re-capitalization of 2017. 10. To approve the Company's certified public accountants and determine their remuneration. 11. To approve making endorsements and guarantees for subsidiaries and associate company. 12. To approve the 2017 Internal Control Statement.		
	13. To approve 2017 employees' compensation. 14. To approve 2017 remuneration for directors and supervisors.	Approved unanimously by Remuneration Committee members	None
	15. To approve 2018 Operation Plan. 16. To convene 2018 Annual General Shareholders' Meeting.	-	-
May. 14, 2018 (3rd Board Meeting of 2018)	1. To ratify the acquisition of new dry container conducted by Evergreen Marine (Hong Kong) Ltd., a subsidiary of EMC. 2. To approve the acquisition of new dry container in the second half of the year 2018 conducted by Evergreen Marine (Hong Kong) Ltd., a subsidiary of EMC. 3. To amend "accounting system". 4. To approve making endorsements and guarantees for subsidiaries. 5. To amend "Internal Control System". 6. To amend 2018 Internal Audit Plan.	Approved unanimously by Audit Committee members	None
	7. To approve the issuance of the 14th domestic secured ordinary corporate bond (Green Bond).	-	-
Aug. 13, 2018 (4th Board Meeting of 2018)	1. To approve the long term charter of container vessels of Evergreen Marine (Hong Kong) Ltd. and Greencompass Marine S.A., the subsidiaries of EMC. 2. To approve the proposal that Evergreen Marine (Hong Kong) Ltd., a subsidiary of EMC, acquires 100% shareholding of Hatsu Marine (Hong Kong) Ltd. from Chestnut Estate B.V. (which is 100% owned by Evergreen International S.A.) and then mergers it. Recusal of Directors and voting situation of Board of Directors • Director Chang, Kuo-Hua is also the director of Evergreen Marine (Hong Kong) Ltd., Director Chang, Kuo-Hua, Chang, Kuo-Ming, and Ko, Lee-Ching are also directors of Evergreen International S.A.	Approved unanimously by Audit Committee members	None

Board Meeting Date	Major Proposals	The resolution of Audit Committee or Remuneration Committee	The Company's response to the opinions of Audit Committee or Remuneration Committee
	• Except for directors who recused themselves from the discussion and resolution, all 6 attendance agreed and approved the proposal. 3. To approve the acquisition of 20% shareholding of Ever Ecove Corp. 4. To approve leasing containers from "BAS Finance Co., Ltd." and "Oriental Container Leasing Co., Ltd." by Evergreen Marine (Hong Kong) Ltd., a subsidiary of EMC. 5. To approve the proposal that Evergreen Marine (Hong Kong) Ltd., a subsidiary of EMC, makes sale and leaseback transaction of containers with ORIX Corporation or its subsidiary. 6. To approve capital increase by subscription of cash. 7. To approve making endorsements and guarantees for subsidiaries. 8. To approve the proposal that Peony Investment S.A., a subsidiary of EMC, participates in capital injection of Evergreen Marine (UK) Ltd. Recusal of Directors and voting situation of Board of Directors • Director Chang, Kuo-Hua and Chang, Kuo-Ming are major shareholders of Evergreen Marine (UK) Ltd. • Except for directors who recused themselves from the discussion and resolution, all 7 attendance agreed and approved the proposal.	Approved unanimously by Audit Committee members	None
	9. To stipulate dividend record date.	-	-
Oct. 8, 2018 (5th Board Meeting of 2018)	1. To approve making endorsements and guarantees for subsidiaries.	Approved unanimously by Audit Committee members	None
	2. To stipulate "Regulations of Employee's Stock option" 3. To set "Principles of Employees' qualification and subscribable shares for Employee Stock option"	Approved unanimously by Remuneration Committee members	None
Nov. 13, 2018 (6th Board Meeting of 2018)	1. To approve the long term charter of container vessels of Evergreen Marine (Hong Kong) Ltd. and Greencompass Marine S.A., the subsidiaries of EMC. 2. To approve building container vessels of Evergreen Marine (Hong Kong) Ltd., the subsidiary of EMC. 3. To approve making endorsements and guarantees for subsidiaries.	Approved unanimously by Audit Committee members	None

Board Meeting Date	Major Proposals	The resolution of Audit Committee or Remuneration Committee	The Company's response to the opinions of Audit Committee or Remuneration Committee
Dec. 21, 2018 (7th Board Meeting of 2018)	1. To amend "accounting system". 2. To approve the termination of Global Depositary Receipt (GDR) program. 3. To approve the proposal that Peony Investment S.A., the subsidiary of EMC, participates in capital injection of Balsam Investment (Netherlands) N.V. 4. To approve the participation of capital increase by cash of EVA AIR. Recusal of Directors and voting situation of Board of Directors • Director Ko, Lee-Ching is also the director of EVA AIR. • Except for director who recused herself from the discussion and resolution, all 8 attendance agreed and approved the proposal. 5. To approve making endorsements and guarantees for subsidiaries. 6. To approve a donation to Chang Yung-Fa Charity Foundation. Recusal of Directors and voting situation of Board of Directors • Director Chang, Kuo-Hua, Chang, Kuo-Ming, and Ko, Lee-Ching are also directors of Chang Yung-Fa Charity Foundation. • Except for directors who recused themselves from the discussion and resolution, all 6 attendance agreed and approved the proposal. 7. To approve the acquisition of new dry container of Evergreen Marine (Hong Kong) Ltd., a subsidiary of EMC. 8. To approve 2019 budget.	Approved unanimously by Audit Committee members	None
	9. To approve the 2018 bonus for management. Recusal of Directors and voting situation of Board of Directors • Director Lee, Mong-Jye and Hsieh, Huey-Chuan have direct personal interest conflicts to the proposal. • Except for directors who recused themselves from the discussion and resolution, all 7 attendance agreed and approved the proposal. 10. To approve 2019 compensation for management. Recusal of Directors and voting situation of Board of Directors • Director Lee, Mong-Jye and Hsieh, Huey-Chuan have direct personal interest conflicts to the proposal. • Except for directors who recused themselves from the discussion and resolution, all 7 attendance agreed and approved the proposal.	Approved unanimously by Remuneration Committee members	None

Board Meeting Date	Major Proposals	The resolution of Audit Committee or Remuneration Committee	The Company's response to the opinions of Audit Committee or Remuneration Committee
	11. To approve the 2018 Chairman's bonus. Recusal of Directors and voting situation of Board of Directors • Chairman Chang, Cheng-Yung has direct personal interest conflicts to the proposal. • Except for the director who recused himself from the discussion and resolution, all 8 attendance agreed and approved the proposal. 12. To approve 2019 Chairman's compensation. Recusal of Directors and voting situation of Board of Directors • Chairman Chang, Cheng-Yung has direct personal interest conflicts to the proposal. • Except for the director who recused himself from the discussion and resolution, all 8 attendance agreed and approved the proposal.	Approved unanimously by Remuneration Committee members	None
	13. To formulate "2019 Internal Audit Plan".	-	-
Mar. 22, 2019 (1st Board Meeting of 2019)	1. To approve changing the Company's president and the spokesperson. Recusal of Directors and voting situation of Board of Directors • Director Hsieh, Huey-Chuan has direct personal interest conflicts to the proposal. • Except for the director who recused himself from the discussion and resolution, all 7 attendance agreed and approved the proposal. 2. To approve 2018 employees' compensation. 3. To approve 2018 directors' remuneration.	Approved unanimously by Remuneration Committee members	None
	4. To ratify the acquisition of new dry container of Evergreen Marine (Hong Kong) Ltd., a subsidiary of EMC. 5. To approve the foundation of Evergreen Shipping Agency (Israel) Corporation with Green Shipping Ltd. 6. To approve 2018 Business Report. 7. To approve 2018 Parent-company-only Financial Statement and Consolidated Financial Statement. 8. To approve the earnings distribution of 2018. 9. To approve the Company's certified public accountants and determine their remuneration. 10. To approve making endorsements and guarantees for subsidiaries and associate company.	Approved unanimously by Audit Committee members	None

Board Meeting Date	Major Proposals	The resolution of Audit Committee or Remuneration Committee	The Company's response to the opinions of Audit Committee or Remuneration Committee
	11. To amend the "Procedures for Acquiring and Disposing of Assets" and the "Table of Authority Limit of Acquiring and Disposing of Assets & other Financial Matters". 12. To amend the "Procedures for Transaction of Derivative Products". 13. To amend "Internal Control System". 14. To approve the 2018 Internal Control Statement.	Approved unanimously by Audit Committee members	None
	15. To approve 2019 Operation Plan. 16. To convene 2019 Annual General Shareholders' Meeting.	-	-

11. Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors: None

12. Resignation or Dismissal of the Company's Key Individuals, Including the Chairman, CEO, and Heads of Accounting, Finance, Internal Audit and R&D:

Apr. 23, 2019

Title	Name	Date of Inauguration	Date of Resignation	Reason for resignation or dismissal
President	Lee, Mong-Jye	Jan. 01, 2015	Apr. 15, 2019	Retirement

IV. Information Regarding the Company's Audit Fee and Independence

1. Audit Fee

The non-audit fee ratio of the Company has not reached more than one quarter of the audit fee, and the non-audit fee details are as follows.

Unit: NT$ thousands

Accounting Firm	Name of CPA	Audit Fee	Non-audit Fee					Period Covered by CPA's Audit	Remarks
			System of Design	Company Registration	Human Resource	Others	Subtotal		
PwC	Lee, Hsiu-Ling Chih, Ping-Chiun, etc.	20,605	0	500	0	3,171	3,671	Jan. 01, 2018-Dec. 31, 2018	The "Other" items of non-audit fees include the following services: 1. Audit of business tax 2. Transfer pricing report 3. Master File project 4. Audit of Agreed-upon Procedures 5. Green bond con-vinced service

2. If the Company Changes Accounting Firm and the Audit Fees Charged by the New Firm is Less than that of the Pervious Accounting Firm, Please Disclose the Audit Fees Charged by the Two Accounting Firms and the Reason: None

3. Audit Fees Decreases 15% of that of Previous Year, the Decreased Audit Fees, Decreased Percentage and Reason Should be Disclosed: None

V. Replacement of CPA : None

VI. Audit Independence

The Company's Chairman, Chief Executive Officer, Chief Finance Officer, and managers in charge of its finance and accounting operations did not hold any positions in the Company's independent auditing firm or its affiliates during 2018.

VII. Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

Unit: Shares

Title	Name	2018		As of APR 23, 2019	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Evergreen Steel Corp.	3,785,961	0	0	0
	Representative: Chang, Cheng-Yung	0	0	0	0
Director	Chang Yung-Fa Charity Foundation	1,642,020	0	0	0
	Representative: Chang, Kuo-Hua	31,628,702	0	0	0
	Representative: Chang, Kuo-Ming	5,564,836	0	0	0
Director	Evergreen International S.A.	18,656,515	0	0	0
	Representative: Ko, Lee-Ching	4,407	0	0	0
	Representative: Hsieh, Huey-Chuan	90,035 (11,000)	0	0 (40,000)	0
Independent Director	Yu, Fang-Lai	0	0	0	0
Independent Director	Chang, Chia-Chee	0	0	0	0
Independent Director	Li, Chang-Chou	0	0	0	0
President	Hsieh, Huey-Chuan	90,035 (11,000)	0	0 (40,000)	0
Chief Executive Vice President (Finance Officer)	Wu, Kuang-Hui	111,098 (190,000)	0	0	0
Project Dept. Executive Vice President	Wei, Wei-Der	0	0	0	0
Project Dept. Executive Vice President	Tang, Chia-Sheng	0	0	0	0
Finance Div. Executive Vice President	Tsai, I-Jung	0	0	0	0

Title	Name	2018		As of APR 23, 2019	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Marketing Div. Executive Vice President	Peng, Chen-Hsiang	1,175 (36,000)	0	39,000	0
Logistice Div. Executive Vice President	Lin, Wen-Kuei	189	0	0	0
Shipbuilding Dept. (Be Concurrently In Charge of Maritech/Seaman/ Maintenance/Supply Dept.) Executive Vice President	Huang, Tsung-Yung	5,000	0	0	0
Project Dept. Senior Vice President	Tseng, Neng-Fang	55,000	0	0 (50,000)	0
Human Resources Dept. Senior Vice President	Yang, Pi-Sao	55,750 (20,000)	0	0	0
Finance Div. Finance Dept. Senior Vice President	Mo, Cheng-Ping	48,000 (40,000)	0	0 (40,000)	0
Finance Div. Stock Dept. Senior Vice President	Hsieh, Shu-Hui	0	0	0	0
Insurance & Claim Dept. Senior Vice President	Lin, An-Kwo	0	0	0	0
Marketing Div. Senior Vice President	Wang, Pei-Chun	378	0	0	0
Logistics Div. Equipment Control Dept. Senior Vice President	Liu, An-Hua	30,500	0	0	0
Logistics Div. Equipment Service Dept. Senior Vice President	Wu, Chi-Hui	0	0	0	0
Logistics Div. Intermodal Dept. Senior Vice President	Kuo, Yuan-Ping	1	0	0	0
Operation Coordination Dept. Senior Vice President	Hwang, Wen-Yau	79,883	0	0	0

Title	Name	2018		As of APR 23, 2019	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Maintenance Dept. Senior Vice President	Kung, Chir-Chieh	79,967	0	0	0
Supply Dept. Senior Vice President	Wang, Lin-Fa	30,000	0	0	0
Shipbuilding Dept. Senior Vice President	Chiang, Shou-Hsing	0	0	0	0
KSG Terminal Div. Senior Vice President	Chang, Yen-I	1,522	0	0 (9,000)	0
KSG Terminal Div. Senior Vice President	Liaw, Yeong-Nian	74,263	0	0	0
Project Dept. Deputy Senior Vice President	Jou, Kuen-Cheng	11,485	0	0	0
Project Dept. Deputy Senior Vice President	Sheu, Dong-Han	0	0	0	0
Project Dept. Deputy Senior Vice President	Chen, Chun-Yen	0	0	0	0
Auditing Dept. Deputy Senior Vice President	Wu, Yu-Chi	55,549 (111,000)	0	0 (9,000)	0
Human Resources Dept. Deputy Senior Vice President	Chien, Shen-Tai	0	0	0	0
Marketing Div. North America Dept. Deputy Senior Vice President	Huang, Hsin-Yen	0	0	0	0
Marketing Div. Latin America Dept. Deputy Senior Vice President	Su, Ming-Sung	4	0	0	0
Marketing Div. Intra Asia Dept. Deputy Senior Vice President	Wu, Yi-Min	0	0	0	0
Marketing Div. Europe & Africa Dept. Deputy Senior Vice President	Lin, Sheng-Chia	55,000 (38,000)	0	0 (10,000)	0

Title	Name	2018		As of APR 23, 2019	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Marketing Div. Near East Dept. Deputy Senior Vice President	Hsu, Huan-Chang	30,000	0	0	0
Maritech Dept. Deputy Senior Vice President	Yang, Hong-Ming	0	0	0	0
Maritech Dept. Deputy Senior Vice President	Jeng, Jen-Cherng	58,470	0	0	0
Seaman Dept. Deputy Senior Vice President	Li, Hua-Lung	35,998	0	0	0
Operation Coordination Dept. Deputy Senior Vice President	Chang, Chih-Chao	57,994	0	0	0
Operation Coordination Dept. Deputy Senior Vice President	Yeh, Cheng-Hung	0	0	0	0
Operation Dept. Deputy Senior Vice President	Hwang, Yi-Syou	0	0	0	0
Maintenance Dept. Deputy Senior Vice President	Chen, Jenn-Hwang	55,000	0	0	0
Maintenance Dept. Deputy Senior Vice President	Yeh, Ching-Rong	2,500	0	0	0
Maintenance Dept. Deputy Senior Vice President	Con, Kuo-Chung	1,000	0	0	0
KSG Terminal Div. Terminal Operation Dep. Deputy Senior Vice President	Hwang, Ming-Ling	61,221 (54,000)	0	0	0
Finance Div. Finance Dept. Junior Vice President (Accounting Officer)	Chang, Chuan-Fu	30,000 (75,000)	0	0	0

Information of Stock Transfer: None

Information of Stock Pledged: None

VIII. Changes in Shareholding

Name	Current Shareholdings		Spouse's / Minor's Shareholding		Shareholding by Nominee Arrangment		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Evergreen International S.A. (Panama)	391,786,816	8.68	-		0	0	Chang, Kuo-Hua Chang, Kuo-Ming Chang, Kuo-Cheng	Director and major shareholder	-
							Chang, Yung-Fa	major shareholder	
							Evergreen International Corp.	Major shareholder of Evergreen International S.A. (Panama) reinvest the company	
							Ko, Lee-Ching	Director	
Representative: Chang, Kuo-Hua	319,646,157	7.08	47,176,327	1.05	0	0	Chang, Yung-Fa Chang, Kuo-Ming Chang, Kuo-Cheng	Within two degrees kinship	
							Evergreen International Corp.	Director and major shareholder	
Chang, Kuo-Hua	319,646,157	7.08	47,176,327	1.05	0	0	Evergreen International S.A. (Panama)	Director and major shareholder	-
							Chang, Yung-Fa Chang, Kuo-Ming Chang, Kuo-Cheng	Within two degrees kinship	
							Evergreen International Corp.	Director and major shareholder	
Evergreen International Corp.	262,411,866	5.81	-		0	0	Chang, Kuo-Hua	Director and major shareholder	-
							Chang, Kuo-Cheng Chang, Kuo-Ming	Major shareholder	
							Evergreen International S.A. (Panama)	Major shareholder of Evergreen International Corp. reinvest the company	
Representative: Ko, Lee-Ching	92,563	0	0	0	0	0	Evergreen International S.A. (Panama)	Director	

Name	Current Shareholdings		Spouse's / Minor's Shareholding		Shareholding by Nominee Arrangment		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Chang, Yung-Fa	221,101,656	4.90	2,666,833	0.06	0	0	Evergreen International S.A. (Panama)	Major shareholder	-
							Chang, Kuo-Hua Chang, Kuo-Ming Chang, Kuo-Cheng	Within two degrees kinship	
Cathay Life Insurance Co., Ltd.	124,318,716	2.75	-		0	0	-	-	-
Chang, Kuo-Ming	116,861,569	2.59	39,367,531	0.87	0	0	Evergreen International S.A. (Panama)	Director and major shareholder	-
							Chang, Yung-Fa Chang, Kuo-Hua Chang, Kuo-Cheng	Within two degrees kinship	
							Evergreen International Corp.	Major shareholder	
Chang, Kuo-Cheng	90,402,921	2.00	0	0	0	0	Evergreen International S.A. (Panama)	Director and major shareholder	-
							Chang, Yung-Fa Chang, Kuo-Hua Chang, Kuo-Ming	Within two degrees kinship	
							Evergreen International Corp.	Major shareholder	
Fu, Di-Chen	89,547,318	1.98	4,503,023	0.10	0	0	-	-	-
Bank SinoPac as Custodian of Ally Holding Ltd. Investment Account	67,161,321	1.49	-		0	0	-	-	-
New Labor Pension Fund	59,836,728	1.33	-		0	0	-	-	-

IX. Ownership of Shares in Affiliated Enterprises

As of Dec 31, 2018

Unit: thousand Shares/%

Affiliated Enterprises (Note1)	Ownership by the Company		Direct or Indirect Ownership by Directors, Supervisors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Evergreen International Storage &Transport Corp.	430,692	40.36	38,343 (Note2)	3.59	469,035	43.95
EVA Airways Corp.	714,825	16.29	309,458 (Note3)	7.05	1,024,283	23.34
Taiwan Terminal Services Corp. Ltd.	5,500	55.00	100	1.00	5,600	56.00
Evergreen Security Corp.	6,336	31.25	10	0.05	6,346	31.30
Charng Yang Development Corp.	58,542	40.00	0	0	58,542	40.00
Taipei Port Container Terminal Corp.	109,378	21.03	50,602	9.73	159,980	30.76
Peony Investment S.A	4,765	100.00	0	0	4,765	100.00
Evergreen Marine (Hong Kong) Ltd.	6,320	79.00	80	1.00	6,400	80.00
Everport Terminal Service Inc.	1	94.43	0	5.57	1	100.00
Evergreen Marine (Latin America), S. A.	105	17.50	198	33.00	303	50.50
VIP Greenport Joint Stock Company	13,750	21.74	0	0	13,750	21.74

Note1: Investee accounted for using equity method

Note2: Information for Evergreen International Storage &Transport Corp. in August, 2018.

Note3: Information for EVA Airways Corp. in December, 2018.

I. Capital and Shares

1. Source of Capital

Month/ Year	Par Value (NT$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Sources of Capital (shares)	Capital Increased by Assets Other than Cash	Other
05/2012	10	3,600,000,000	36,000,000,000	3,474,940,656	34,749,406,560	Corporate Bond Conversion 1,482,546	-	Jing-Shou-Shang Zi No. 10101094850
05/2013	10	3,600,000,000	36,000,000,000	3,474,946,469	34,749,464,690	Corporate Bond Conversion 5,813	-	Jing-Shou-Shang Zi No. 10201100610
08/2013	10	3,600,000,000	36,000,000,000	3,474,952,282	34,749,522,820	Corporate Bond Conversion 5,813	-	Jing-Shou-Shang Zi No. 10201178690
09/2014	10	3,600,000,000	36,000,000,000	3,477,580,184	34,775,801,840	Corporate Bond Conversion 2,627,902	-	Jing-Shou-Shang Zi No. 10301181780
08/2015	10	3,600,000,000	36,000,000,000	3,512,355,986	35,123,559,860	Capitalization of Retained Earnings 34,775,802	-	No. Financial-Supervisory-Securities-Corporate-1040025135; Jing-Shou-Shang Zi No.10401170530
12/2017	10	5,000,000,000	50,000,000,000	4,012,355,986	40,123,559,860	Cash Subscription 500,000,000	-	No. Financial-Supervisory-Securities-Corporate-1060037504; Jing-Shou-Shang Zi No.10601173790
09/2018	10	5,000,000,000	50,000,000,000	4,212,973,786	42,129,737,860	Capitalization of Retained Earnings 200,617,800	-	The approval from the FSC on Jul. 31,2018; Jing-Shou-Shang Zi No.10701115880
12/2018	10	5,000,000,000	50,000,000,000	4,512,973,786	45,129,737,860	Cash Subscription 300,000,000	-	No. Financial-Supervisory-Securities-Corporate-1070336402; Jing-Shou-Shang Zi No.10701157290

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Common Stock	4,512,973,786	487,026,214	5,000,000,000	Shares of TWSE Listed Companies

Information for Shelf Registration: None.

2. Status of Shareholders

As of Apr. 23, 2019

Item	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders	10	27	244	139,240	559	140,080
Shareholding (shares)	147,784,094	283,868,303	471,934,247	2,523,210,065	1,086,177,077	4,512,973,786
Percentage	3.27%	6.29%	10.46%	55.91%	24.07%	100.00%

3. Sharesholding Distribution Status

NT$10 per share

As of Apr. 23, 2019

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage
1 ~ 999	47,127	11,866,722	0.26%
1,000 ~ 5,000	50,282	117,462,190	2.60%
5,001 ~ 10,000	16,153	112,058,783	2.48%
10,001 ~ 15,000	8,757	103,617,570	2.30%
15,001 ~ 20,000	3,638	63,193,366	1.40%
20,001 ~ 30,000	4,818	115,319,157	2.56%
30,001 ~ 40,000	2,288	78,222,256	1.73%

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage
40,001 ~ 50,000	1,426	63,882,486	1.42%
50,001 ~ 100,000	2,907	200,246,651	4.44%
100,001 ~ 200,000	1,410	189,144,658	4.19%
200,001 ~ 400,000	653	180,992,682	4.01%
400,001 ~ 600,000	224	108,331,352	2.40%
600,001 ~ 800,000	100	68,665,748	1.52%
800,001 ~ 1,000,000	63	56,942,136	1.26%
1,000,001 or over	234	3,043,028,029	67.43%
Total	140,080	4,512,973,786	100%

Preferred Shares: None

4. List of Major Shareholders

As of Apr. 23, 2019

Shareholder's Name	Shareholding	
	Shares	Percentage
Evergreen International S.A. (Panama)	391,786,816	8.68%
Chang, Kuo-Hua	319,646,157	7.08%
Evergreen International Corp.	262,411,866	5.81%
Chang, Yung-Fa	221,101,656	4.90%
Cathay Life Insurance Co., Ltd.	124,318,716	2.75%
Chang, Kuo-Ming	116,861,569	2.59%
Chang, Kuo-Cheng	90,402,921	2.00%
Fu, Di-Chen	89,547,318	1.98%
Bank SinoPac as Custodian of Ally Holding Ltd. Investment Account	67,161,321	1.49%
New Labor Pension Fund	59,836,728	1.33%

5. Market Price, Net Worth, Earnings and Dividends per Share

Unit: NT$

Items \ Year	2017	2018	01/01/2019-04/23/2019 (Note 2)
Market Price per Share (Note 1)			
Highest Market Price	23.35	18.75	13.60
Adjusted Highest Market Price	22.05	-	-
Lowest Market Price	11.20	11.10	11.40
Adjusted Lowest Market Price	10.48	-	-
Average Market Price	17.15	14.98	12.27
Net Worth per Share			
Before Distribution	15.80	14.82	-
After Distribution	13.87	-	-
Earnings per Share			
Weighted Average Shares (thousand shares)	3,549,342	4,058,989	-
Earnings Per Share	1.97	0.07	-
Adjusted Earnings Per Share	1.88	-	-
Dividends per Share			
Cash Dividends	0.2	-	-
Stock Dividends			
• Dividends from Retained Earnings	0.5	-	-
• Dividends from Capital Surplus	-	-	-
Accumulated Undistributed Dividends	-	-	-

Items \ Year	2017	2018	01/01/2019-04/23/2019 (Note 2)
Return on Investment			
Price / Earnings Ratio (Note 3)	8.71	214	-
Price / Dividend Ratio (Note 4)	85.75	-	-
Cash Dividend Yield Rate (Note 5)	1.17	-	-

Note 1: List the highest and lowest market prices of common stocks for each year, and calculate the average market price for each year based on the annual transaction value and volume.

Note 2: Net Worth per share and earnings per share shall be filled in with the information of the account audited by the accountant in the most recent quarter of the annual report. The remaining fields shall be filled with the annual information as of the date of publication of the annual report.

Note 3: Price / Earnings Ratio = Average Market Price / Earnings per Share

Note 4: Price / Dividend Ratio = Average Market Price / Cash Dividends per Share

Note 5: Cash Dividend Yield Rate = Cash Dividends per Share / Average Market Price

6. Dividend Policy and Implementation Status

(1) Dividend Policy

If the Company reports a surplus at the year end, after clearing taxes, the Company shall first offset losses from previous years (if any), then set aside 10% of the balance as the statutory surplus reserve, and set aside or reverse a special surplus reserve per the provisions. After that, the Board of Directors shall propose a surplus distribution plan of the balance plus the retained earnings accrued from prior years, submit the distribution plan to the shareholders' meeting for approval, and then distribute it.

The dividends shall be distributed in the combination of cash and stocks, provided that cash dividends shall not be less than 10% of the total amount of dividends.

(2) Proposed Distribution of Dividends

The proposal for the distribution of 2018 profits was passed at the meeting of the Board of Directors on March 22, 2019. The proposal not to distribute dividends will be discussed at the annual shareholders' meeting.

7. Impact of Stock Dividends issuance on the Company's Business Performance and Earnings per Share:

N/A (The Company does not disclose 2019 financial forecast.)

8. Employees' Compensation and Remuneration of Directors and Supervisors

(1) Information Relating to Compensation of Employees, Directors and Supervisors in the Articles of Incorporation:

If the Company makes profit in a fiscal year, employee compensation, no less than 0.5% of the profit, and remuneration of directors, no more than 2% of the profit, shall be set aside. However, in case the Company has accumulated losses, the Company shall reserve an amount to offset the accumulated losses beforehand. The employee compensation and the remuneration of directors shall be set aside afterwards according to the principles mentioned above.

The employee compensation shall be distributed in the form of stock or cash, while the remuneration of directors shall be distributed only in the form of cash.

The profit mentioned above refers to profit before tax without deducting employee compensation and remuneration of directors.

(2) In the current period, the estimated basis of the remuneration of employees, directors and supervisors, the calculation basis of the number of employees' remuneration shares distributed by the stock and the actual distribution amount are treated as if they differ from the estimated number of entries:

a. In this period, the estimated basis for the employee's remuneration and the amount of compensation for directors and supervisors and the basis for the number of shares allotted for dividends are calculated. The Company's annual earnings and operating results are used as the basis for estimating employee compensation, director remuneration, and the number of shares allotted.

b. Accounting treatment if the actual allotment amount differs from the estimated number of columns:

If there is a difference between the actual number of allotments and the estimated number of columns, the company will recognize the expenses for the current year.

(3) Appropriation for Employees Compensation and Remuneration of Directors and Supervisors:

Item	Resolution of Board of Directors (Mar 22, 2019)
Remuneration of Directors and Supervisors (Cash)	-
Employees' Compensation (Cash)	NT$2,560,320

(4) The Distribution Status of Employee Compensation and Remuneration of Directors and Supervisors of the previous year (including distributed shares, amount and market price). If the amount distributed varies from the amount recognized, the amount of the difference should be displayed, along with the reason and the status of the handling procedure:

The Company distributed remuneration of employee compensation NT$36,322,186 and directors and supervisors NT$10,206,849 of year 2017. The amounts distributed did not vary from the amount recognized.

9. Buyback of Treasury Stock: None

II. Bonds

1. Corporate Bonds

<table>
<tr><th colspan="2">Corporate Bond Type</th><th>13th Secured Corporate Bonds</th></tr>
<tr><td colspan="2">Issue date</td><td>April 25, 2017</td></tr>
<tr><td colspan="2">Denomination</td><td>NT$1,000,000</td></tr>
<tr><td colspan="2">Issuing and transaction location</td><td>Republic of China</td></tr>
<tr><td colspan="2">Issue price</td><td>Par</td></tr>
<tr><td colspan="2">Total price</td><td>NT$8,000,000,000</td></tr>
<tr><td colspan="2">Coupon rate</td><td>1.05%</td></tr>
<tr><td colspan="2">Tenor</td><td>5 years
Maturity: April 25, 2022</td></tr>
<tr><td colspan="2">Guarantee agency</td><td>Hua Nan Commercial Bank, Ltd.,
First Commercial Bank,
Mega International Commercial Bank Co., Ltd.,
Land Bank of Taiwan,
Chang Hwa Commercial Bank, Ltd.,
Taiwan Cooperative Bank,
Bank Sinopac Co., Ltd.</td></tr>
<tr><td colspan="2">Consignee</td><td>Bank of Taiwan</td></tr>
<tr><td colspan="2">Underwriting institution</td><td>SinoPac Securities Corporation acts as the lead manager</td></tr>
<tr><td colspan="2">Certified lawyer</td><td>Kuo, Hui-Chi</td></tr>
<tr><td colspan="2">CPA</td><td>Lai, Chung-Hsi</td></tr>
<tr><td colspan="2">Repayment method</td><td>Repayment of 50% of the principal in the fourth year and the remaining 50% in the fifth year</td></tr>
<tr><td colspan="2">Outstanding principal</td><td>NT$8,000,000,000</td></tr>
<tr><td colspan="2">Terms of redemption or advance repayment</td><td>None</td></tr>
<tr><td colspan="2">Restrictive clause</td><td>None</td></tr>
<tr><td colspan="2">Name of credit rating agency, rating date, rating of corporate bonds</td><td>None</td></tr>
<tr><td rowspan="2">Other rights attached</td><td>As of the printing date of this annual report, converted amount of (exchanged or subscribed) ordinary shares, GDRs or other securities</td><td>None</td></tr>
<tr><td>Issuance and conversion (exchange or subscription) method</td><td>None</td></tr>
<tr><td colspan="2">Issuance and conversion, exchange or subscription method, issuing condition dilution, and impact on existing shareholders' equity</td><td>None</td></tr>
<tr><td colspan="2">Transfer agent</td><td>N/A</td></tr>
</table>

<table>
<tr><th colspan="2">Corporate Bond Type</th><th>14th Secured Corporate Bonds</th></tr>
<tr><td colspan="2">Issue date</td><td>June 27, 2018</td></tr>
<tr><td colspan="2">Denomination</td><td>NT$1,000,000</td></tr>
<tr><td colspan="2">Issuing and transaction location</td><td>Republic of China</td></tr>
<tr><td colspan="2">Issue price</td><td>Par</td></tr>
<tr><td colspan="2">Total price</td><td>NT$2,000,000,000</td></tr>
<tr><td colspan="2">Coupon rate</td><td>0.86%</td></tr>
<tr><td colspan="2">Tenor</td><td>5 years
Maturity: June 27, 2023</td></tr>
<tr><td colspan="2">Guarantee agency</td><td>First Commercial Bank</td></tr>
<tr><td colspan="2">Consignee</td><td>Bank of Taiwan</td></tr>
<tr><td colspan="2">Underwriting institution</td><td>First Securities Inc. acts as the lead manager</td></tr>
<tr><td colspan="2">Certified lawyer</td><td>Kuo, Hui-Chi</td></tr>
<tr><td colspan="2">CPA</td><td>Lee, Hsiu-Ling</td></tr>
<tr><td colspan="2">Repayment method</td><td>Repayment in lump sum upon maturity</td></tr>
<tr><td colspan="2">Outstanding principal</td><td>NT$2,000,000,000</td></tr>
<tr><td colspan="2">Terms of redemption or advance repayment</td><td>None</td></tr>
<tr><td colspan="2">Restrictive clause</td><td>None</td></tr>
<tr><td colspan="2">Name of credit rating agency, rating date, rating of corporate bonds</td><td>None</td></tr>
<tr><td rowspan="2">Other rights attached</td><td>As of the printing date of this annual report, converted amount of (exchanged or subscribed) ordinary shares, GDRs or other securities</td><td>None</td></tr>
<tr><td>Issuance and conversion (exchange or subscription) method</td><td>None</td></tr>
<tr><td colspan="2">Issuance and conversion, exchange or subscription method, issuing condition dilution, and impact on existing shareholders' equity</td><td>None</td></tr>
<tr><td colspan="2">Transfer agent</td><td>N/A</td></tr>
</table>

2. Corporate Bond Under Processing: None

3. Corporate Bonds with Warrants: None

III. Preferred Stock: None

IV. Global Depository Receipts

Item \ Issue date			August 2, 1996	September 2, 1997~ September 27, 2018
Issuance and listing			London Stock Exchange	London Stock Exchange
Total amount			US$115,000,000	-
Unit issuing price			US$18.35	-
Units issued			6,267,030 GDRS	2,116,352 GDRS
Source of negotiable securities			Evergreen International S.A. (Panama)	Capital increase by retained earnings and capital reserve
Amount of negotiable securities			62,670,300	21,163,520
Rights and obligations of GDR holders			Same as those of common share holders	Same as those of common share holders
Trustee			-	-
Depository bank			Citibank N.A. New York	Citibank N.A. New York
Custodian bank			Citibank Taiwan Limited	Citibank Taiwan Limited
Outstanding balance			-	78,254GDRS
Treatment of expenses incurred at issuance and thereafter			Issue cost: Evergreen International S.A. (Panama) Expense incurred in the duration: Evergreen Marine Corp. (Taiwan) LTD.	
Important conventions about depository and escrow agreement			Please refer to Deposit Agreement and Custody agreement for details.	
Market price per unit	2018	Highest	6.34	
		Lowest	3.60	
		Average	4.67	
	1/1/2019 to 4/23/2019	Highest	4.36	
		Lowest	3.76	
		Average	3.93	

The issuance of global depositary receipts (GDRS) was approved by the Securities and Futures Bureau of Financial Supervisory Commission of the Taiwan (ROC) on June 19, 1996. The Deposit Agreement was signed on August 2, 1996 and approved by the UK Securities Authority to list in London Stock Exchange. The GDRS are issued in Asia, Europe and USA.

The Company initially issued 6,267,300 units of GDRS, represented 62,670,300 common shares of the Company. The GDRS issuing price is US$18.35 per unit (about NT$505 per unit) and the total amount of GDRS is about US$115,000,000. Subsequently, the Company additionally issued 2,116,352 units because of capital increase by retained earnings and capital reserve. Until April 23, 2019, the total issuance amount of GDRS is 8,383,382 units represented 83,833,904 common shares and the outstanding balance is 78,254 units represented 782,629 common shares.

The Board of Directors approved the termination of Global Depositary Receipt (GDR) program on December 21, 2018.

V. Employee Stock Options: None

VI. Status of New Shares Issuance in Connection with Mergers and Acquisitions: None

VII. Financing Plans and Implementation

The Implementation of uncompleted financing plans are as follows:

1. 14th Secured Corporate Bonds (Green Bonds)

Unit: NT$ thousands

Issuance	14th Secured Corporate Bonds (Green Bonds)					
Issue amount	NT$2,000,000: Denomination: NT$1,000					
Tenor	5 years; The issuance date is June 27, 2018, and the maturity date is June 27, 2023.					
Purpose	Buying shipping fuel environmental protection equipment					
Funds using schedule & Execution progress	Execution status		2018 Q3	2018 Q4	2019 Q1	Total
	Funds using schedule	Planning	163,025	97,517	152,030	412,572
		Actual	165,088	113,738	196,292	475,118
	Execution progress	Planning	8.15%	4.88%	7.60%	20.63%
		Actual	8.25%	5.69%	9.81%	23.75%

2. 2018 Capital Increased by Cash

Unit: NT$ thousands

<table>
<tr><td>Issuance</td><td colspan="5">2018 Capital Increased by Cash</td></tr>
<tr><td>Issue amount</td><td colspan="5">Issuing 300,000,000 new shares.
Denomination: NT$10 dollars
Issue price: NT$10.7 dollars
Total amount: NT$3,210,000 thousand</td></tr>
<tr><td>Purpose</td><td colspan="5">Repay bank loans</td></tr>
<tr><td rowspan="5">Funds using schedule & Execution progress</td><td colspan="2">Execution status</td><td>2018 Q4</td><td>2019 Q1</td><td>Total</td></tr>
<tr><td rowspan="2">Funds using schedule</td><td>Planning</td><td>1,223,333</td><td>706,667</td><td>1,930,000</td></tr>
<tr><td>Actual</td><td>1,842,500</td><td>87,500</td><td>1,930,000</td></tr>
<tr><td rowspan="2">Execution progress</td><td>Planning</td><td>38.11%</td><td>22.01%</td><td>60.12%</td></tr>
<tr><td>Actual</td><td>57.39%</td><td>2.73%</td><td>60.12%</td></tr>
</table>

I. Business Highlights

1. Business Scope

(1) The company's main business areas

Evergreen's core business is International Container Sea-Freight Liners. Our fleet capacity was ranked as seventh in the world at the end of 2018. All our service routes are running under a regular liner basis, also involving port stevedoring, inland transports, and comprehensive logistics services. Our clients cover various areas such as manufacturing, trading companies, and retailers located all over the world. Our business is fully related to global economic Ups and Downs, as well as fleet capacity supply and demand for all trades.

(2) Adjustments to our service routes in 2018

Transpacific routes

Evergreen Line, COSCO, CMA CGM and OOCL established the "OCEAN Alliance" on Apr. 1, 2017. The Trans Pacific trade was enhanced to a total of 19 services in 2019, including 12 loops for US West Coast loops (PSW 8 loops, PNW 4 loops) and 7 loops for the US East Coast.

Far East-Europe/Mediterranean routes

A. Effective April 2018, new Evergreen 20K ships have been deployed in European routes step by step, and 6 European services and 5 Mediterranean services under OCEAN Alliance.

B. Mediterranean regional service: In 2018, Evergreen Line aimed at consolidating and rationalizing the Intra-Med feeder Network. The utilization efficiency of self-owned slot was improved and significantly higher than that of last year, with an average loading rate of 99%.

Far East-Latin America/Africa routes

A. Far East- Africa services: Maintain stable service through joint agreement with COSCO and X-press on AEF service, and provide ASEA service by allocation swaps with CMA CGM and Emirates. Furthermore, AEF service extends to Central/ South China to provide direct service for Shanghai, Ningbo and Shekou.

B. Far East-South Africa services: Keep joint agreement with COSCO/ONE/PIL on ASA and FAX 2-loop services to offer the most competitive and stable individual services to Durban and Cape Town. And one more M-type vessel deployed to upgrade ASA into weekly service.

C. Far East-Panama/Caribbean: Right now there are three services AUE, NUE and SAX in the Far East-Panama/Caribbean trade.

D. Far East-Mexico/South American West Coast: There are 10 vessels in WSA jointed service and 10 vessels in WSA2 jointed service. Meanwhile, Evergreen deploys 7 vessels in WSA and 1 vessel in WSA2. And Evergreen slot swaps with COSCO/

CMA CGM for WSA3/WSA4.

E. Far East-South American East Coast: There are 12 vessels in ESA joint service, Evergreen deployed 4 vessels, and Evergreen slot swaps with ONE for ESA2.

Far East-Middle East/Red Sea/India Subcontinent/Australia routes

A. Far East-Middle East Service: There are 5 services under OA day 1 product, which will be adjusted to 4 services in 2018 Q3.

B. Far East-Red Sea Service: The OCEAN Alliance cooperated with PIL for Far East to Red Sea service in April 2017, and maintained two sailings per week. The vessel deployment and port coverage from the Far East to Red Sea loop were simultaneously upgraded with additional calls from North/South China/Korea and Sokhna, Egypt.

C. Far East-Indian Subcontinent: The service to India has been increased from 2 loops to 3 loops, and service to Pakistan reduced to 1 loop from 2 loops to meet the market demand in 2018.

D. Far East- Australia Service: Evergreen deployed two vessels in the new joint venture CAE (Central and South China/Australia Express) service with partners in August 2018. There are a total of five vessels (CAT 1/NEAX 2/CAE 2) in the Far East to Australia string.

Intra-Asia Routes

A. To meet demand of fast growth among Korea, China, Taiwan and the Philippines, Evergreen decided to revamp the KTP service to a new pattern which can extend coverage to Busan, Shantou, Hong Kong, Shekou, Manila North Port but drop Kwangyang, Shanghai, Ningbo, Batangas, and Subic. To maintain the service scope to Batangas and Subic, the new TMS (Taiwan-Manila-Subic) service was launched at the same time.

B. To meet the demands of fast growth between Thailand and Indonesia, Evergreen decided to launch new TIX service (Thailand-Indonesia Express service) which can cover Laem Chabang, Singapore, Tanjung Pelepas, Jakarta, Tanjung Pelepas, Port Klang, and Laem Chabang.

C. In response to both customer demand for increased service in the countries and the potential for a growth in trade, Evergreen decided to launch its new CVT service (China-Vietnam-Thailand service) which can cover Shekou, Hong Kong, Ho Chi-Minh, Sihanoukville, Laem Chabang, and Haiphong. Moreover, we also took this opportunity to reshuffle TWT service seeking for better performance and operation efficiency.

D. To meet the demands of fast growth to East Malaysia and South Philippines, Evergreen decided to launch its new TPM (Taiwan-Philippines-Malaysia) service and revamped.

E. Since November 2018, Evergreen launched its CPH service (China - Philippines Service) and enhanced South-Philippines Service to twice a week. This provides express service from South China to South Philippines and vice versa.

F. To enhance the service network in VNDNG, the ongoing NSC service had been revamped and added VNDNG call on the south-bound route from December 2018.

2. Container Shipping Industry Profile

(1) Macroeconomic Environment

According to Alphaliner statistics, global port container throughput increased by 4.8% to 814.6 million TEU in 2018 compared with 2017, and global capacity increased by 5.8% over 2017. Basically, the world economy continued its growth trend of 2017 years in 2018, but the growth rate of Asian and European routes was slowing down, and weak economic growth in some European countries, such as the United Kingdom, affected the trade transportation of the Far East to European routes, while the Pan Pacific route was affected by the tariff policy of Sino-US trade conflicts, with some shippers speeding up early delivery, the demand for space increased in Q4, 2018. The rapid economic development of Asian emerging economies and the growth of import and export trade have led to a higher in regional routes.

Since the main industry integrations and mergers have been done in past years, the three marine alliances have been put officially into full operation and have gone well. The purpose of marine alliance is to improve the network coverage and streamline the operation, reducing the cost of logistics supply, enhancing management capabilities and achieving other synergies. The integrations and alliance in marine markets have significantly changed the structure of the global shipping industry, and the market concentration has increased considerably. The top ten carriers represented 82% of the global market capacity share in 2018. Alphaliner's forecast market capacity growth rate at 3.1%, with cargo volume increased at 3.6%. Thus a balance situation between supply and demand is expected.

(2) Relationships with Up-, Mid- and Downstream Companies

Marine shipping is the main means of transportation in international trade. The ratio of transportation volume via container ships and total cargo tonnage has been raised year on year, covering most consumer product items. Not only is its industry chain interconnectivity extremely high but it is also closely related to consumer livelihood. This is summarized below:

<u>**Upstream industry**</u>

A. The Shipyards

B. Transportation equipment manufacturers

C. Ship or transport equipment rental providers

Mid-stream industries

A. Marine fuel suppliers

B. Ship and transportation equipment repairers

C. Terminal operators

D. Land transportation logistics providers

E. Shipping alliance or slot purchasing partners

Downstream industries

A. Direct shippers (manufacturers, retailers, service providers)

B. Freight forwarding and logistics industry

(3) Product Development Trends

A. Industry concentration at an all-time high

The market concentration increased over the past few years, marine operators built more Ultra Large Container Vessels (ULCV) to achieve better scale economy and reduce costs, which also enhance the trend of M & A, and the operation in the way of alliances. At the end of 2018, the world's top 10 major carriers represented 82% of global capacity (vs 77% in 2017), and with only 7 carriers with a market capacity over 5%, the market concentration is at an all-time high.

B. Close relationships between port and shipping company

The relationship between ports and carriers is much closer than ever before. Under the operation of marine alliance, how to rationalize the routes and how to operate those ULCVs are the key issues for the industry. For those mega groups who run both port side operation and sea transportation, it is possible for them to achieve synergy by bringing their core business together to strengthen its global gateway position.

C. Shipping digitalization and e-commerce

Maritime technology and digitalization have been improved recently, not only improving the efficiency on sea and landside transportation, but also the safety of ship navigation. The rapid development of e-commerce and cross-border trade is expected to increase the cargo volume.

D. Environmental protection and new regulations

The control of carbon emissions and the enhancement of environmental protection continue to be the main issue in the international maritime industry. The target of International Maritime Organization is to cut 50% of the emissions by 2050 compared with 2008, and regulations of new low sulphur fuel will take effect from January 1, 2020.

(4) Status of Market Competition

A. Top three Carriers retain market positions

Alliance	2M	OCEAN Alliance	THE Alliance
Member	Maersk MSC HMM	Evergreen CMA CGM COSCO OOCL	Hapag-Lloyd ONE YML
Total Capacity (TEU)	7.87M	6.68M	3.77M
Cooperative Capacity (TEU)	3.1M	3.7M	2.6M
Cooperative Service	30	39	35
Cooperative vessels	260	330	265

B. Major marine alliance market share

The market shares are 37%, 36% and 25% for Asia-Europe trade and 19%, 38% and 25% for Asia-North America trade on major marine alliance of 2M,OCEAN Alliance and THE Alliance.

3. Status of Technology and R&D

(1) R&D expenditures and results during the reporting year

Green Fleet

Evergreen commits to pollution prevention, energy conservation, and greenhouse gas reduction, and to protect our planet in accordance with international environmental protection conventions and environmental protection regulations. We have strict standards and operational procedures for all environmental protection and pollution prevention and control of ships sailing at sea, and we will use the latest technology as soon as it is available so as to minimize the impact of container shipping operations both on marine life, on port communities, and on humanity worldwide.

In order to provide quality services to safely deliver goods to the port of destination and take into account environmental protection, energy conservation, as well as reducing greenhouse gas emissions and air pollution have always been the principle and endeavor of Evergreen. The Shipbuilding Dept. is responsible for the design of new ships. New ship designs incorporate the latest international laws and conventions. The Evergreen philosophy of green ships means advanced marine technology is used to optimize each ship type in order to maximize returns and satisfy energy conservation targets.

Twenty units of 2,800 TEU B-type vessels, using main engines with electronic fuel injection, produce 20% less NOx emissions than conventional engines and so comply with the 2015 Energy Efficiency Design Index (EEDI) and Tier II NOx emission standards set by the IMO. The B-type vessels shipbuilding plan should be completed and delivered by the second half of 2019. The ten Gen 3 B-type vessels under construction by CSBC Taiwan are equipped with the latest sword bow developed by the shipyard. The bow can handle different drafts and speeds while effectively reducing wave resistance and drag when the ship is in motion to optimize ship speed and engine performance. Fuel efficiency is improved by 10% compared to the conventional bulbous bow.

The “Environmental Guardians” page on our website has been constantly maintained so as to proactively share our management of emissions and treatment of ballast and sludge. There are details for the latest environmental protection designs of S-type, L-type, and B-type vessels and other green instruments for the easy reference for our customers.

Maritime Certification

Evergreen upholds the spirit and vision of sustainable development and firm commitment to professional maritime training. The Evergreen Seafarer Training Center has comprehensive training equipment and we rigorously organize training courses to continuously improve the professional knowledge and skills of our crews so as to prevent the incidence of maritime accidents and environmental pollution.

In 2018, the Evergreen Seafarer Training Center organized a total of 224 professional training courses in 26 categories for 1,639 trainees.

In January 2018, the Maritime and Coastguard Agency of the United Kingdom (MCA) re-approved the "Human Element Leadership and Management (Management Levels)", "Human Element Leadership and Management (Operational Levels)" as specified in the 2010 amendment to the STCW (International Convention on Standards Of Training, Certification and Watchkeeping for Seafarers) "Ship's Cook MLC, 2006 Regulation 3.2.3", and other training courses.

In June 2018, the HK MARDEP (Hong Kong Marine Department) re-approved the Evergreen Seafarer Training Center for offering training on the course specification of STCW (International Convention on Standards of Training, Certification and Watchkeeping for Seafarers) 2010 Manila amendments.

To expand the cultivation of maritime professionals, Evergreen has been stepping up its cooperation with National Taiwan Ocean University and National Kaohsiung University of Science and Technology. Starting from the post-bachelor program of maritime transportation and engineering for cultivating respective professional knowledge and skill, evergreen also offers the opportunity to non-maritime undergraduates to engage in maritime work. Evergreen has also been subsidizing the total tuition and part of the accommodation to qualified students, who will be awarded with an internship onboard the Evergreen fleet. Vacancies will be offered to cadets with excellent performance.

E-Commerce

Evergreen introduces paperless Bill of Lading (B/L) and dispatch documentation via its ShipmentLink digital portal, enhancing connectivity for exporters and importers with banks, insurers, regulators, and customs and port authorities. Evergreen is the first container carrier to integrate with Bolero's proven electronic Bill of Lading (eBL) solution.

In line with its avowed mission to deliver the highest standards of customer service through continual improvement, Evergreen has introduced two new Intelligent Services - the intelligent i-B/L (Bill of Lading) and i-Dispatch, a solution that delivers documents associated with such transactions.

The advantages of this new integration for Evergreen's container shippers start with the rapid issuance and transmission of the i-B/L. This is helpful in all cases but particularly for short-sea shipments when a paper Bill of Lading can sometimes arrive later than the vessel, making it difficult for importers to pick up cargo on a timely basis.

However the advantages of i-B/L do not end there. The paperless environment allows reviews and alterations to be undertaken online and speeds up cash-flow by avoiding the delays associated with traditional documents. Carriers can release goods and banks can release payment to shippers far more quickly.

Evergreen is pleased therefore to add i-B/L and i-Dispatch to its existing suite of electronic functions, including shipment booking and tracking, for the use of customers via Evergreen ShipmentLink. Our partnership with Bolero, and introducing new digital functionality, marks the expansion of the established online portal into high-volume container trades.

Evergreen is committed to offering a high-quality and reliable shipping information system, to provide customers with an efficient, safe, and reliable e-commerce digital platform to assist all parties in the trade lane to reduce costs and improve operational efficiency. Evergreen's e-commerce platform also has a number of functions such as schedule inquiry, container dynamic tracking, Bill of lading Management, volume analysis, electronic data transmission exchange, container total weight verification declaration and so on.

(2) Future R&D Plans

A. The company is expected to invest about NT$ 20.03 million in related services expenditure on the following projects:

Projects	Summary	Schedules	Description of Progress up to 2019/4/23
Application system reform and upgrade development Project	The company's current application system, was gradually converted from the D2K platform into a Web enable platform. Projects expected this year include: Booking system dangerous goods audit, Bill of lading operations, Container seal operations, Cargo damage notification operations, Budget operations, General ledger operations and other items.	2019/12/31	Under process of system development
Empty/laden Container of Ocean & Inland Routing Optimization/ Communication Platform Development	The company's Service line route combined with the regional transship Hub, reorganizes the point-to-point Routing, making the transit days and transshipment costs more competitive and more effective.	2019/06/30	Officially online
Manager Change of Vessel (COV) on Current Sailing Schedule and Integrated Management Platform System Development	Enhance and integrated management of all-operating service lines for changing of vessels on sailing schedules which will effectively reload export containers, reduce the tranship, and the terminal storage cost.	2019/06/30	Officially online
Empty/Laden Container Ocean/ inland combined transport Big Data Analysis	Set up a big data database, accelerate analysis of business results and provide business department to quickly respond to market changes.	2019/07/31	Under process of system development

Projects	Summary	Schedules	Description of Progress up to 2019/4/23
Vessel spare parts allocate/ transfer and reconditioning	Reduce the inventory for using it efficiently, save the cost on the new procurement, and the transportation of the vessel spare parts.	2019/07/31	Under process of system development
Big Data analysis for Vessel operation	Analyze the data from the vessel, such as speed and the position, in order to provide the best instructions to the vessel for use of oil and reduced fuel consumption.	2019/12/31	Under process of data validation
i-B/L & i-Dispatch of Bolero project enhancement & Optimize - Add L/C billing & financing function with related Banks	In i-B/L (Intelligent Electronic Bill of Lading) & i-Dispatch (Intelligent Express Electronic Document) Provide customers with the function of electronic bills of lading transfer and electronic file exchange on the website to increase the customer's L/C billing function through the bank.	2019/06/30	Under process of system analysis
Blockchain Application Project-Development of new functions with related Banks for financing of import bills	Evergreen website Shipmentlink will provide customers with the ability to provide O/A (Open Account) bills of lading to the bank to accelerate the company's revenue and cash flow.	2019/08/31	Under process of system development
Computerization of International large-scale customer Tender's shipment Bidding operation	Develop a Tender Bidding operation module to provide the Market and Project department as the basis for quotation, and automatically generate the quotation content requested by customers to bid and improve work efficiency.	2019/03/31	Officially online

B. Factors leading to success in future R&D projects

a. Knowledge of trends

b. Sound planning

c. Coordinated execution

4. Short & Long Term Business Plans

Short-Term:

(1) Adjust the fleet capacity to meet the market demand timely.

(2) Improve ship loading factors as well as mixed cargo.

(3) Expand joint venture cooperation, and develop new routes.

(4) Establish key performance indicators, and review operation performance.

Long-Term:

(1) Strengthen training programs, and establish cultural heritage.

(2) Encourage innovative thinking to ensure healthy growth.

(3) Continue to reduce costs, full participation for the goal.

(4) Enhance the operation quality, and increase overall efficiency.

II. Market and Industry Analysis

(1) Major Performance Indicators of Main Service Scopes (KPI)

Unit: NT$ Thousands

Year / Service routes	Revenue of the Group for 2017	Revenue of the Group for 2018
America	52,789,741	65,814,288
Europe	37,900,327	32,141,861
Asia	29,778,828	33,672,426
Others	14,889,414	21,427,908

(2) Major Domestic Competitors & their Global Market (Fleet Capacity) Shares

Year/Item Taiwan-based Shipping lines	March 2018		March 2019	
	Capacity (TEU)	Market Share (%)	Capacity (TEU)	Market Share (%)
Evergreen (Group)	1,069,707	4.9	1,193,471	5.2
Yang Ming Lines	589,765	2.7	656,574	2.9
Wan Hai Lines	245,054	1.1	237,653	1.0
TS Lines	76,042	0.3	72,966	0.3

Data Source: Alphaliner

(3) Market Outlook for Supply-Demand and Growth

Far East to North America Trade

The latest US GDP Growth Rate advanced an annualized 2.9%, slightly higher than the previously estimated 2.7%. But the unemployment rate hit a record low of 3.7% in nearly 50 years.

According to the AFP, US Consumer confidence will brighten in 2019 although there is still an unsettled trade negotiation with mainland China. The IMF projected 3.3% global GDP growth and 2.3% in the US in 2019.

North America to Far East Trade

Southeast-Asia inbound space demands keep increasing as a result of the continued on-going Sino-American trade negotiation. Some of the USA outbound cargo such as animal feed, cotton, grain, Lumber, plastic scrap and waste paper, has been diverted to the Southeast Asia area due to limited import license permits from the Chinese government regarding solid materials.

All carriers promptly feedback to the development of trade negotiations including proper vs. deployment, port terminals facilities upgrade, sufficient chassis supply, logistics management, and inland movement arrangements. These are major key factors for handling U.S. export cargo well.

Far East to Europe/Mediterranean Trade

From Q2 2019, the Ocean Alliance will have an additional loop on Asian-European trade, from 6 to 7 loops weekly. It covers more major ports and has a faster transit time. The Ocean Alliance is not very different from Asian-Mediterranean trade. The main change in the market is the cooperation between ZIM and 2M. The market is expected to maintain a stable situation.

Europe to Far East Trade

The Chinese Government adjusted its waste commodity policy, imposing much stricter quality restrictions, which in consequence will see a decrease in the total import volumes through Chinese ports. Some businesses are being diverted to South East Asian destinations. From Q2 2019, Europe to Asia trade core services NEU6 (CEM) and NEU7 (CES) will deploy 20,000 TEU (G-type) and 14,000 TEU (T-type) vessels respectively, which will increase total capacity by 39% compared with 2018.

Europe to North America Trade

According to CTS trade statistics, in Q4 2018 the fleet capacity of the Transatlantic Westbound market increased by 4.5% in comparison with Q4 2017, while total demand increased by 6% YoY in 2018. With a better supply and demand balance, the average revenue increased. In the 3rd year of the “Ocean Alliance”, the Trans-Atlantic service offering will remain unchanged.

Far East – Mexico/South America West Coast Service

The capacity for Mexico/West Coast of South America increased in Q2 2018, Ocean freight dropped due to overcapacity in the market capacity and will see no change in 2019, and the O/FRT and revenues are expected to increase in 2019.

Far East – Panama/Caribbean Market

Major countries’ GDP are stably growing along with increasing cargo sources and improved revenue, except for Venezuela which still suffered from political and economic chaos. The IMF forecast the economic growth of 2019, and the economic growth of Panama/major Caribbean countries can maintain positive with 5%, as well as volume and revenue.

Far East to East Coast South America

The revenue was increased due to extra loaders in 2018. According to the IMF, The economy of South America areas are expected to increase by 3% in 2019. A stable market on the East Coast of South America is expected for 2019.

Far East to Africa Trade

Consuming power in South Africa went down due to the impact of currency and oil prices since March 2018. GDP growth also went downward from 1.1% to 0.8%. The IMF forecasts growth to 1.2% and positive growth in 2019 for South Africa.

Respective GDP growth of Kenya and Tanzania is forecast with a slight increase to be 5.8% and 4.0%, and the economic situation is forecast to be positive via the link with Chinese business exchanges.

Intra-Asia Trade

A total of 20 units of 2,800 TEU "Type B" container vessels ordered by Evergreen Group, fifteen of which had been phased into the NSD, NSB, JPI, CIT, LKX services and the remaining new vessels are expected to be fully operational in the Intra Asia region in 2019. Furthermore, Evergreen will charter 14 units of 2,500 TEU and 24 units of 1,800 TEU class vessels. All 38 units of ships will be newly built and are due to be delivered from the third quarter of 2019. This new building program is to meet future market demand and to continue with our ongoing fleet renewal.

Reefer business

With the population and income growth especially in the emerging market, and the shift of the seaborne reefer commodity transportation from specialized reefer mode to the containerized vessel, the reefer container volume is estimated at 4% annual growth in the coming three years.

The space enlargement on European trade and service restructure on West Coast South America trade will enhance our reefer competition and enlarge our reefer traffic, as well as the enhancement of Cold Treatment shipment from South Africa and Controlled Atmosphere shipment from South America as a niche market to bring us reefer volume growth.

Special equipment

Taking the opportunity and strategy of the One Belt, One Road Initiative in China, cargo bound for the Gulf is expanding and increasing around 32% in 2018. In view of the space enlargement on USWC and Europe in 2019, we can solicit more space support and expand more cargo.

(4) A competitive niche

Innovative Thinking

The international shipping market changes constantly and fast. It requires creative thinking to make corresponding adjustments to overcome the challenges for sustainability. Such as: assigning “line managers” and through the (KPI) Key Performing Indicators system to monitor the performance and make necessary adjustments to make the best use of corporate assets and create the maximum revenue income.

Recognized Quality

Evergreen has been constantly improving the quality of service, in addition to continuing to win the trust and affirmation from customers, but also sustained affirmation and certification from international media and organizations:

(1) LOG-NET E-Commerce Excellence Award for 2017

(2) The Port Authority of NY & NJ - Green Ship Award 2018

(3) Port of Vancouver - 2017 Blue Circle Award
(4) New Jersey Smart Workplaces - Gold Award 2017
(5) Santa Barbara Region Vessel Reduction Incentive Program - Protecting Blue Whales and Blue Skies Recognized Evergreen vessels
(6) Dollar Tree/Family Dollar - 2017 Ocean Carrier of the Year
(7) Home Depot - Ocean Carrier of the Year 2017

E-Commerce

Evergreen introduced the paperless Bill of Lading (B/L) and dispatch documentation via its ShipmentLink digital portal, enhancing connectivity for exporters and importers with banks, insurers, regulators, and customs and port authorities. Evergreen is the first container carrier to integrate with Bolero's proven electronic Bill of Lading (eBL) solution.

These new services, provided in partnership with Bolero International, will lower shippers' costs while making data transfer more accurate, efficient, reliable and secure. Accessed via the line's established ShipmentLink portal, the ability to achieve paperless data exchange among all parties concerned in a shipment will significantly simplify supply chain linkages.

However the advantages of i-B/L do not end there. The paperless environment allows reviews and alterations to be undertaken online and speeds up cash-flow by avoiding the delays associated with traditional documents. Carriers can release goods and banks can release payment to shippers far more quickly.

Evergreen is committed to offering a high-quality and reliable shipping information system, to provide customers with an efficient, safe, and reliable e-commerce digital platform to assist all parties in the trade lane to reduce costs and improve operational efficiency. Evergreen's e-commerce platform also has a number of functions such as schedule inquiry, container dynamic tracking, Bill of lading Management, volume analysis, electronic data transmission exchange, total container weight verification declaration and so on.

Eco-Friendliness

Evergreen Marine is committed to pollution prevention, energy conservation, and greenhouse gas reduction, and to protect our planet in accordance with international environmental protection conventions and environmental protection regulations. We have strict standards and operational procedures for all environmental protection and pollution prevention and control of ships sailing at sea, and we will use the latest technology as soon as it is available so as to minimize the impact of container shipping operations on marine life, port communities, and on humanity worldwide.

In order to provide quality services, it has always been the principle and goal to safely deliver goods in ways that meet the needs of environmental protection, energy conservation, reduction of greenhouse gas emissions and air pollution. Since 2007 to 2018, through a variety of operational management measures, emission reduction strategies, optimized ship design to reduce ship energy consumption, and the continuous introduction of a new generation of environmental protection vessels, Evergreen has always made great efforts to keep our planet a sustainable environment.

The "Environmental Guardians" page on our website has been constantly maintained so as to proactively share our management of emissions and treatment of ballast and sludge. There are details for the latest environmental protection designs of S-type, L-type, and B-type vessels and other green instruments for the easy reference for our customers.

(5) Advantages, Disadvantages and Response Strategies for Future Development

Advantages

A. Shipping industry integration completed, the degree of concentration increased.
B. The alliance operates smoothly, and is cost-effective.
C. Emerging Southeast Asian markets are booming.
D. Blockchain technology helps upgrade the industry.

Disadvantages

A. Surging geopolitical conflicts and volatile fuel prices affect the investment deeply.
B. Ultra Large ships enter an intensive delivery period.
C. Trade disputes between the United States and other countries.
D. Cyber attacks persist.

Response strategies

A. Taking advantage of alliance networks to provide accounts with more port coverage, and reduce transship costs.
B. To upgrade fleet deployment to reduce operating costs and improve competitiveness.
C. Continue to expand the market share, and improve the cargo mix.
D. Set up an Information Security Committee to regularly update policy, and review the status of policy implementation.

2. Major usage and manufacturing process of main products

(1) Function of main products

Main Products	Functions
Container Shipping	Global transportation of standard and special containerized cargo.

(2) Manufacturing Process of Main Products

As a container shipping transportation service provider, our disclosed service string and its adjustments provide the details for processing of our main products.

3. Status of Supply of Main Materials

Being a container shipping transportation service provider, we do not have raw materials like manufacturers do, however we do have to use a substantial amount of fuel for transport, which can be deemed as our main raw materials. Currently fuel cost is one of the important operating costs. Except for being stably supplied by renowned vendors at major ports, we also tactically adjust fueling port rotations depending on favorable fuel prices in addition to strategic slow steaming measures for cost saving.

4. Main customers who account for over 10% of total sales in recent 2 years and their individual purchase amounts and share: None.

5. Production in the Last Two Years: None.

6. Shipments and Sales in the Last Two Years

Unit: NT$ Thousands

Year / Revenue	2017	Year / Revenue	2018
Marine freight income	135,358,310	Revenue from contracts with customers - Ship - owners	157,094,786
Container manufacturing income	1,659,315	Revenue from contracts with customers - Terminal	7,150,737
Ship rental and slottage income	1,545,894	Revenue from contracts with customers - Agent	2,894,849
Commission income and agency service income	1,366,761	Other - ship rental and slottage income	1,589,580
Container income and others	10,652,412	Revenue from contracts with customers - Other	506,701
Total	150,582,692	Total	169,236,653

III. Human Resources

Year		2017	2018	The year ended April 23, 2019
Number of Employees	Staff	3,709	5,175	5,234
	Seaman	1,105	1,413	1,339
	Total	4,814	6,588	6,573
Average Age		39.60	38.10	38.80
Average Years of Service		11.27	10.36	10.41
Education	Ph.D.	0.02%	0.02%	0.03%
	Masters	6.63%	5.40%	5.57%
	Bachelor's Degree	63.98%	71.14%	71.64%
	Senior High School	22.25%	17.64%	17.24%
	Below Senior High School	7.12%	5.80%	5.52%

IV. Expenses for environmental protection

1. Company's total expenses for environmental protection in 2018

In 2018, no major environmental pollution incidents occurred in our fleets, and there were no losses or penalties incurred. Expenses were simply for routine maintenance of equipment, and additional costs for use of low pollutant fuels. Expense details are listed below:

(1) The cost of maintenance and parts for environmental protection equipment and SOx Scrubbers amounted to USD 34,300,553.82.

(2) The cost for vessels using low-sulfur fuel for M/E, Generator Engines and Aux. boiler while sailing in emission control areas to comply with IMO regulations & CARB requirements of the US west coast amounted to USD 61,640,719.92.

(3) The cost for vessel M/E, Generators and Aux. Boilers using Marine Gas oil when berthing at EU ports and using low-sulfur fuel oil while sailing in emission control areas amounted to USD 25,217,719.00.

2. Environmental protection policies and measures

The Company has established an environmental protection policy based on caring for the ocean, continuously upgrades shipboard equipment to reduce air pollution emissions and manages its own fleets with requirements exceeding international regulation. The Company is currently undertaking the following measures for environmental protection:

(1) All ocean going vessels will use cleaner fuel (the Sulphur content shall not exceed 0.5% m/m) while they are in Taiwan's international commercial port areas and the territorial sea of Hong Kong and China taking effect from 1 Jan 2019.

(2) In compliance with the California Air Resources Board (CARB) regulations, fleet vessels sailing through the West Coast of the U.S., within 200 nautical miles of the California baseline, should use Marine Gas Oil for M/E, Generator Engines and Aux. Boiler.

(3) All ocean going vessels entering the Emission Control Area, ECA (Baltic Sea area, North Sea Area and English Channel, North American area) must have a Sulphur content of fuel oil used on board ships shall not exceeding 0.1% m/m after 1 January 2015.

(4) The maximum allowable Sulphur content of fuel oil used by ships at berth in EU ports shall not exceed 0.1% m/m after 1 January 2010.

(5) In line with the IMO Data Collection regulation, Evergreen had establish a monitoring plan. All ships above 5,000 gross tonnage starting from January 1, 2019, should collect and report fuel consumption annually, which should be verified.

(6) Evergreen Line has received recognition for its excellent performance in a voluntary environmental and ecological protection program. The initiative was aimed at reducing greenhouse gas emissions of vessels and avoiding whale collisions by encouraging slow sailing speeds in California's Santa Barbara Channel region.

(7) Conduct strict audits and corrective action for the fleet and make preparation beforehand in order to prevent deficiencies and pollution from occurring.

(8) Keep all environmental equipment on board in good condition for the crew to operate smoothly.

(9) Continuously monitor the operating condition of the vessel's main engine and auxiliary machineries. Take necessary actions immediately for efficiently using the fuel to reach the goal of energy conservation and carbon emission reduction.

(10) Maintain the validity of the statutory certificates such as IOPP, IAPP and ISPP for all vessels.

(11) Continuously join the GARD Protection and Indemnity (GARD P&I) insurance.

(12) Provide the Vessel Certificate of Financial Responsibility (COFR) for all vessels trading to the United States to undertake the responsibilities and obligations if oil pollution occurs in US water.

(13) Carry out M/E turbocharger cut-out operation to cooperate with vessel's slow steaming in order to reduce fuel oil consumption and GHG emission.

(14) Pay close attention to the development of international regulations for environmental protection. Complying with the new regulations allows the fleet to

meet the requirements for environmental protection in ports and around the world.

(15) North Atlantic Right Whale Seasonal Speed Restrictions are in effect. Restrictions imposed by the NOAA require vessels to proceed at 10 knots or less in restricted areas during specific times of the year (from Nov. to Apr.) in the Mid-Atlantic and Southeast U.S. Seasonal Management Areas (SMAs) of the U.S. East Coast. Vessels are allowed to operate at speeds greater than 10 knots if it is necessary to maintain a safe maneuvering speed in areas where conditions severely restrict a ship's maneuverability. Any deviation from the speed restriction should be entered in the logbook.

(16) ICommission AMP system and use shore power for all E -Type, S-Type and L-Type vessels berthing in port of USLAX, USOKL. And joined the Cold Ironing running berthing in port of CNXGA, CNSHG, CNNBO, CNXSM and CNYYT & CNXHK.

(17) All seafarers are given thorough environmental educations and training courses to acquire correct environmental awareness and knowledge.

REMARKS:

(1) IOPP - International Oil Pollution Prevention

(2) IAPP - International Air Pollution Prevention

(3) ISPP - International Sewage Pollution Prevention

3. New international environmental protection regulations

(1) On January 1, 2019, the planned emission control areas in the China territorial waters were mandated to use fuel oil with a sulfur content <0.5% m/m.

(2) The MEPC decided that after January 1, 2020, in addition to the other areas of the world except the Emission Control Area (using 0.1% m/m sulfur content), the maximum sulfur content of marine fuel shall not exceed 0.5% m/m.

(3) The annual emissions of CO2 from maritime transport account for about 2.8% of global greenhouse gas emissions. The IMO proposes to incorporate increasing marine emissions into greenhouse gas emission reduction policies, and implement new energy efficiency design indicators at the 72nd meeting of MEPC. (EEDI) requirements to reduce carbon emissions. The CO2 emission rate of ships targeting international routes in 2030 is set to be at least 40% lower than the 2008 figure and is expected to be reduced to 70% by 2050. The total emissions and the total greenhouse gas emissions in 2050 need to be reduced by 50% compared to the 2008 value.

At its 69th Session, the MEPC Marine Environmental Protection Committee approved the Global Ship Fuel Consumption Data Collection and revised the MARPOL Convention Annex VI, which is the global ship fuel consumption data collection. The information collected since 2019 will be reported to the flag State after the end of each year. After verifying the data, the flag State will issue a

Declaration of Conformity to the vessel and submit the data to the IMO Ship Fuel Consumption Database.

V. Labor Relations

1. Benefits for employees

Holiday	Two days off a week.
Paid annual leave	As specified in the Labor Standards Act.
Pension system	As specified in the Labor Pension Statute.
Insurance	Labor insurance, national health insurance, group accident insurance better than that required by Labor Standards Act, medical insurance covering hospitalization and injury for the employees traveling abroad for business, group term life insurance with a preferential rate.
Meals	Nourishing and healthy free lunch, overtime meals, and on-duty meal at the canteen.
Health care	Medical consultations with professional physicians, workplace health promotion and management by professional nurses, and free regular physical examinations.
Recreational activities	Employees buying tickets for a domestic flight of UNI AIR or living in a hotel of the Evergreen Group in Taiwan or overseas can enjoy a preferential discount.
Education training	Regular and ad hoc educational training, professional seminars, workshops, and subsidies for foreign language training every year.
Operating	Performance bonus Annual bonus, employee compensation
Other subsidies	Wedding subsidy/cash gift from supervisor, bereavement subsidy/condolence payment from supervisor, injury or illness condolence payment, emergency assistance, relocation subsidy for overseas assignments, allowances for domestic assignments away from home.
Clubs	There are 24 clubs: basketball, tennis, softball, badminton, table tennis, swimming, Taiji for health, yoga, mountain climbing, golf, Latin aerobic exercises, etc.

2. Training for staff

(1) Internal Training:

The annual internal training plan is proposed by each department and is implemented after approval. The subjects include ISO documentation, professional knowledge, quality improvement, AEO certification, occupational safety & health, corporate social responsibility, etc.

Total hours of training courses in 2018: 559 hours

(2) Professional Training:

A. According to laws and regulations, the colleagues from the Auditing Dept., Occupational Safety & Health Dept., Insurance & Claim Dept., Finance Div. Finance Dept., and Kaohsiung Terminal Div. participated in training courses organized by external training institutions.

B. In order to enhance the professional knowledge of damage prevention, executives and managers from various departments participated in the Danger Prevention Seminars organized by Evergreen International Corp.

C. In order to enhance the skills of international business negotiations, executives and managers from the Logistics Div. and Operation Coordination Dept. participated in B2B International Business Negotiation Workshops, which were conducted by external professional consultants.

D. In order to strengthen stress resistance and emotion-processing skills, first-line managers from various departments participated in the Stress and Emotion Management Courses, which were conducted by external professional consultants.

(3) New Manager Training:

A. New managers participated in the Performance Management & Appraisal Interview Courses organized by Human Resources Dept.

B. New managers participated in various e-Learning courses recorded by relevant departments. The subjects include personnel/finance/auditing administration, information security and financial reports.

C. In order to enhance communication skills, new managers participated in the Cross-Generational Communication Courses, which were conducted by external professional consultants.

(4) Management-level Learning Programs:

In order to promote interdisciplinary learning, all executives and managers participated in various e-Learning courses recorded by different professional units. The subjects in year 2018 include financial reports, fleet environmental protection policy, corporate governance and EU General Data Protection Regulation.

(5) Expatriate’s orientation:

Expatriates participated in the orientation programs before taking up their new posts in overseas affiliates, which were conducted by Human Resources Dept.

(6) Newcomer's orientation:

Newcomers participated in the orientation programs before being distributed to their respective units, which were conducted by Human Resources Dept.

(7) Occupational Safety and Health Training and Health Lectures

(8) Subsidies for learning foreign languages

(9) Subsidies for TOEIC test fee

(10) The statistics of the above 2-9 trainings are as follows

Total number of participants	Total training hours in year	Total amount of cost
1,980	10,240	NT$1,632,223

On-shore Training for Seafarers:

Training course	Number of periods	Days	Number of participants
LEADERSHIP AND BRIDGE RESOURCE MANAGEMENT	2	5	11
LEADERSHIP AND ENGINE ROOM RESOURCE MANAGEMENT	2	5	4
THE OPERATIONAL USE OF ECDIS TRAINING	2	5	13
SECURITY TRAINING FOR SEAFARERS WITH DESIGNATED SECURITY DUTIES AND SECURITY AWARENESS	12	2	192
TOKYO KEIKI ECDIS TYPE SPECIFIC UPGRADE TRAINING (EC-8600)	16	2	21
JRC JAN-9201/7201 ECDIS TYPE SPECIFIC TRAINING	14	1	82
THE PRE-BOARDING TRAINING COURSE FOR DECK MANAGEMENT LEVEL OFFICERS	12	2	95
THE PRE-BOARDING TRAINING COURSE FOR DECK OPERATION LEVEL OFFICERS	13	2	156
PRACTICAL NAVIGATION SAFETY INTENSIVE TRAINING	7	2	84

Training course	Number of periods	Days	Number of participants
D.G. CARGO COURSE RECURRENT TRAINING	6	1	87
D.G. CARGO COURSE TRAINING	1	2	14
THE PRE-BOARDING TRAINING COURSE FOR ENGINE MANAGEMENT LEVEL OFFICERS	12	2	78
THE PRE-BOARDING TRAINING COURSE FOR ENGINE OPERATION LEVEL OFFICERS	12	3	68
M/E REMOTE CONTROL SYSTEM TRAINING	9	3	38
MAN ME ENGINE CONTROL SYSTEM	11	5	53
MARINE ENVIRONMENT AWARENESS TRAINING	14	2	266
MARINE ENVIRONMENT AWARENESS TRAINING (FOREIGN CREW)	32	2	100
UK SHIP'S SAFETY OFFICER CBT TRAINING	3	1	3
MEDICAL CARE REFRESHER COURSE	2	3	28
MEDICAL CARE TRAINING	1	5	16
INTRODUCTION AND MAINTENANCE THE (CARRIER,THERMO-KING,DAIKIN REEFER CONTAINERS)	10	2	59
SHIPBOARD HIGH VOLTAGE TRAINING (OPERATIONAL LEVEL)	6	1	31
SHIPBOARD HIGH VOLTAGE TRAINING (MANAGEMENT LEVEL)	7	5	32
THE SHIP HANDLING AND SAFETY MANAGEMENT PROFICIENCY CHECK COURSE	14	1	53
MEDICAL FIRST AID REFRESHER	3	2	48
UK (MLC 2006) SHIP'S COOK TRAINING	1	2	7
Total	**224**	**68**	**1,639**
Total fees for training classes	**NT$5,841,429**		

3. Pension plan

The Evergreen Marine Labor Pension Preparatory Fund Supervisory Committee was formed in 1986. The "Employee Pension Regulations" were drawn up by the Company and pension contributions are continuing to be made each month based on the following criteria: 15% of salary for employees on the old system, and 9% of salary for employees on the new system that chose to retain their years of service under the old system. According to the pension regulations, the criteria for payment is two bases which are given for each full year of service rendered. But for the rest of the years over 15 years, one base is given for each full year of service rendered. The total number of bases shall be no more than 45. The retirement pension base is one month's average wage of the worker at the time when his or her retirement is approved.

Employees that opt for the new system introduced by the Labor Pension Statute introduced on July 1, 2005, receive contributions equal to 6% of their monthly salary.

In addition to monthly contributions to the pension fund, we also check the balance of the labor pension preparatory fund account to see if it is sufficient to meet all the pension obligations from all employees that will meet the conditions for retirement in the upcoming year. Any shortfalls are made up by the end of March in the following year.

4. Labor Agreements: None.

5. Labor Disputes (as to the printing date)

There was one case of labor dispute raised in 2018. In 2018 and in 2019 as of the date of this annual report, there has been no losses resulting from labor disputes.

6. Code of Conduct/Courtesy

As a leading container carrier, the Company consistently upholds attitudes of integrity, transparency, and accountability while engaging in business activities.

The Company established the "Guidelines for the Adoption of Codes of Ethical Conduct" in December 2014. The Guidelines are adopted for the purpose of encouraging directors, supervisors, and managerial officers to act in line with ethical standards, and to help interested parties better understand the ethical standards of the company. To ensure implementation of the company's philosophy and core values, all employees are required to:

(1) Observe the company's regulations and working manual as well as to act loyally, responsibly and under supervisors' orders, directions and supervision.

(2) Conduct themselves in an impartial, prudent and self-disciplined manner, protect the company's reputation, discard bad habits, and respect fellow staff members.

(3) Perform their duties and responsibilities, cooperate and coordinate with interrelated departments to achieve goals set by the company.
(4) Commit to performing all services in a conscientious without any practices that could be construed as bribery and/or corruption.
(5) Strictly Refrain from discriminating against any employee, contractor, or customer.
(6) Comply with any and all competition law regimes that are relevant to their countries of operation.

7. Protection Measures for Safe Work Environment and Worker Safety

The company's fourth and fifth container centers in Kaohsiung have obtained TOSHMS (CNS15506) and OHSAS18001 certification. The Occupational Safety and Health Management Department of the organization has set up occupational safety and health management personnel according to law, and implements the company's safety and health management and operations supervision to promote the workplace. Safety and prevention of occupational disasters, related operations are as follows:

(1) In accordance with the Occupational Safety and Health Management Policy, the quarterly Occupational Safety and Health Committee meeting, provide recommendations on the company's safety and health policy, and review, coordinate and recommend safety and health related matters.
(2) Establish and publicize the company's applicable safety and health codes of practice in accordance with the relevant regulations on occupational safety and health, and regulate the implementation and compliance of all employees.
(3) According to the regulations on occupational safety and health, conduct safety and health education and on job training for newcomers and in-service employees.
(4) In accordance with the regulations of the occupational safety law, formulate and implement the "prevention of musculoskeletal diseases such as repetitive work", "prevention of abnormal workload to incur disease", "prevention of physical or mental abused by other people's illegal behaviors", and "workplace maternal health protection" and other operations.
(5) Handle employee health management and health promotion.
(6) The office building has set up 24-hour security and has equipped entrance control card access to ensure the company's property and personnel safety.
(7) Provide free physical examinations to employees and set up infirmaries. Doctors and nursing staff provide employee for counseling on the result of health report.
(8) According to the provisions of the Fire Protection Law, firefighting and evacuation education shall be conducted regularly for employees every half year.

VI.Important Agreement

AGREEMENT	THE PARTY	DURATION	CONTENT	RESTRICTIONS
Slot Exchange Agreement	YANG MING MARINE TRANSPORT CORP.	From: Sep. 04, 2009 Till: Unlimited extensions; Contract termination subject to 60 days advance notification.	EMC slot exchanges with YML. (Pan Asia Services)	—
Slot Charter Agreement	FUJIAN FOREIGN TRADE CENTRE SHIPPING CO.	From: Mar. 01, 2008 Till: Feb. 28, 2009 Can be extended. Contract termination subject to 90 days advance notification.	EMC slot charters from Fujian Foreign Trade Centre Shipping Co. (Fuzhou- Kaohsiung Service)	—
Slot Charter Agreement	CHINA UNITED LINES LTD.	From: Sep. 27, 2010 Till: Sep. 26, 2011 Can be extended. Contract termination subject to 90 days advance notification.	EMC slot charters from CUL. (Shanghai, Ningbo/ Taiwan Service).	—
Vessel Sharing Agreement	WAN HAI LINES LTD.	From: Sep. 01, 2002 Till: Aug. 31, 2003 Can be extended. . Contract termination subject to 90 days advance notification.	Operated by EMC and WHL jointly. (Japan-Taiwan/Hong Kong Service)	—
Vessel Sharing Agreement	WAN HAI LINES LTD.	From: Sep. 12, 2008 Till: Set. 11, 2009 Can be extended. Contract termination subject to 90 days advance notification.	Operated by EMC and WHL jointly. (Japan/Taiwan/Philippines Service)	—
Vessel Sharing Agreement	1. OOCL (ASIA PACIFIC) LTD. 2. YANGMING (UK) LTD.	From: Apr. 30, 2006 Till: Apr. 29, 2007 Can be extended. Contract termination subject to 90 days advance notification.	Operated by EMC, OOCL, and YM (UK) Ltd. jointly. (Taiwan/Hong Kong/ Vietnam Service)	—
Vessel Sharing Agreement	1. WAN HAI LINES LTD. 2. HAPAG-LLOYD CONTAINER LINE	From: Apr. 30, 2006 Till: Apr. 29, 2007 Can be extended. Contract termination subject to 90 days advance notification.	Operated by EMC, WHL and HLCL jointly. (Taiwan/Mainland/ Singapore/Malaysia/India Service)	—

AGREEMENT	THE PARTY	DURATION	CONTENT	RESTRICTIONS
Slot Exchange Agreement	WAN HAI LINES LTD.	From: Feb. 22, 2009 Till: Aug. 23, 2009 Can be extended. Contract termination subject to 45 days advance notification.	EMC slot exchanges with WHL. (Pan-Asia Service)	—
Vessel Sharing Agreement	1. COSCO CONTAINER LINES SOUTH EAST ASIA PTE. LTD. 2. SIMATECH SHIPPING PTE. LTD.	From: Nov. 29, 2013 Till: May. 28, 2014 Can be extended. Contract termination subject to 60 days advance notification.	Operated by EMC, COSCONSEA and SIMATECH jointly. (South East Asia-Persian Gulf-India Pakistan Service)	—
Slot Exchange Agreement	CNC LINE	From: Jul. 12, 2015 Till: Jan. 12, 2016 Can be extended. Contract termination subject to 60 days advance notification.	EMC slot exchanges with CNC. (Taiwan-Thailand/ Singapore-Japan, Malaysia-Japan Service)	—
Slot Exchange Agreement	CNC LINE	From: Nov. 25, 2015 Till: May. 25, 2016 Can be extended. Contract termination subject to 60 days advance notification.	EMC slot exchanges with CNC. (Korea-Taiwan-Vietnam/ North East Asia - South East Asia Service)	—
Vessel Sharing Agreement	1. SIMATECH SHIPPING PTE LTD 2. K LINE 3. YANG MING LINES 4. HAPAG-LLOYD 5. PACIFIC INTERNATIONAL LINES PTE. LTD	From: Jun. 18, 2017 Till: Mar. 18, 2018 Can be extended. Contract termination subject to 90 days advance notification.	Operated by EMC, SIMATECH, K Line, Yang Ming Lines, Hapag-Lloyd. and PIL. (North China-India Service)	—
Slot Charter Agreement	WAN HAI LINES LTD.	From: Sep. 01, 2014 Till: Feb. 28, 2015 Can be extended. Contract termination subject to 60 days advance notification.	EMC slot charters from WHL. (Korea - South East Asia Service)	—

AGREEMENT	THE PARTY	DURATION	CONTENT	RESTRICTIONS
Vessel Sharing Agreement	1. YANG MING LINES 2. SINOTRANS CONTAINER LINES CO., LTD. 3. TS LINES	From: Jun 07, 2013 Till: Jun. 07, 2014 Can be extended. Contract termination subject to 90 days advance notification.	Operated by EMC, YML, SINOTRANS and TSL jointly. (China-Australia Service)	—
Slot Exchange Agreement	SINOKOR MERCHANT MARINE CO., LTD.	From: Jul. 08, 2015 Till: Jan. 08, 2016 Can be extended. Contract termination subject to 60 days advance notification.	EMC slot exchanges with SKR. (North East Asia - South East Asia/Korea-China-Indonesia/Korea-Vietnam-Thailand Service)	—
Slot Exchange Agreement	X-Press	From: Mar. 27, 2016 Till: Sep. 27, 2016 Can be extended. Contract termination subject to 30 days advance notification.	EMC slot exchanges with X-Press. (South China-Singapore-Malaysia/Singapore-Bangkok/Kaohsiung-Cebu/Vietnam-Singapore-Malaysia/Kaohsiung-Manila Service)	—
Slot Exchange Agreement	T.S. LINE CO., LTD.	From: May. 01, 2016 Till: Nov. 01, 2016 Can be extended. Contract termination subject to 60 days advance notification.	EMC slot exchanges with TSL. (Taiwan-Shanghai/Vietnam-Singapore-Malaysia Service)	—
Slot Exchange Agreement	MCC TRANSPORT SINGAPORE PTE. LTD.	From: Sep. 04, 2016 Till: Dec. 04, 2016 Can be extended. Contract termination subject to 30 days advance notification.	EMC slot exchanges with MCC. (Taiwan-Shanghai/Vietnam-Malaysia-Indonesia Service)	—
Vessel Sharing Agreement	1. COSCONSEA 2. WAN HAI LINES LTD. 3. PACIFIC INTERNATIONAL LINES (PTE) LTD.	From: Aug. 28, 2017 Till: Feb. 27, 2018 Can be extended. Contract termination subject to 60 days advance notification.	Operated by EMC, CONCONSEA, WHL & PIL jointly. (North China-Pakistan Service)	—

AGREEMENT	THE PARTY	DURATION	CONTENT	RESTRICTIONS
Slot Exchange Agreement	K LINE	From: Sep. 04, 2016 Till: Dec. 04, 2016 Can be extended. Contract termination subject to 60 days advance notification.	EMC slot exchanges with K Line. (Central China-South China-Pakistan/North China-Pakistan Service)	—
Slot Exchange Agreement	OOCL	From: Sep. 18, 2017 Till: Dec. 16, 2017 Can be extended. Contract termination subject to 30 days advance notification.	EMC slot exchanges with OOCL. (Central China-South China-Pakistan/North China-Pakistan Service)	—
Slot Exchange Agreement	COSCO	From: Apr. 25, 2017 Till: Nov. 25, 2017 Can be extended. Contract termination subject to 30 days advance notification.	EMC slot exchanges with COSCO. (North China/China-Thai-land/ Taiwan-Indonesia Service)	—
Vessel Sharing Agreement	1. APL 2. K-LINE 3. YANG MING LINES 4. HAPAG LLOYD	From: May. 21, 2017 Till: Mar.21, 2018 Can be extended. Contract termination subject to 90 days advance notification.	Operated by EMC, APL, K-LINE, YANG MING and HAPAG LLOYD jointly. (North East Asia - Australia Service)	—
Slot Exchange Agreement	SITC CONTAINER LINES CO	From: Sep. 18, 2017 Till: Dec. 18, 2017 Can be extended. Contract termination subject to 30 days advance notification.	EMC slot exchanges with SITC. (China-Indonesia/ China-Vietnam-Indonesia Express Service)	—
Slot Exchange Agreement	MCC TRANSPORT SINGAPORE PTE LTD	From: Dec. 20, 2017 Till: Mar. 30, 2018 Can be extended. Contract termination subject to 30 days advance notification.	EMC slot exchanges with MCC. (Indonesia-Japan/Japan-Thailand Express Service)	—
Slot Charter Agreement t	SIMATECH SHIPPING PTE. LTD.	From: Nov. 23, 2017 Till: Feb. 25, 2018 Can be extended. Contract termination subject to 30 days advance notification.	EMC solt charters from SI-MATECH. (Far East - East India Service)	—

AGREEMENT	THE PARTY	DURATION	CONTENT	RESTRICTIONS
Slot Charter Agreement	BENGAL TIGER LINE PTE LTD.	From: Dec. 13, 2017 Till: Mar. 13, 2018 Can be extended. Contract termination subject to 30 days advance notification.	EMC solt charters from BTL. (South East Asia - East India Service)	—
Slot Exchange Agreement	SINOTRANS CONTAINER LINES CO., LTD.	From: May. 20, 2017 Till: Mar. 20, 2018 Can be extended. Contract termination subject to 60 days advance notification.	EMC slot exchanges with SNL. (North China-Australia/ South China-Australia Express Service)	—
Vessel Sharing and Slot Exchange Agreement	1. CMA CGM 2. COSCO CONTAINER LINE 3. OOCL	From: Apr. 01, 2017 Till: Mar. 31, 2022	Operated by OCEAN Alliance. (F.E.-EUR/F.E.-MED/F.E.-USWC/F.E.-USEC/EUR-USEC/F.E.-GULF/F.E.-RSEA Services)	—
Slot Charter Agreement	NIPPON YUSEN KAISHA	From: Apr. 01, 2017 Till: Mar. 31, 2019 Contract termination subject to 90 days advance notification.	EMC slot charters from NYK. (Japan/USWC Service)	—
Vessel Sharing Agreement	1. CMA CGM 2. COSCO CONTAINER LINE 3. YANG MING LINE	From: Jan. 20, 2017 Till: Dec. 20, 2018 Contract termination subject to 90 days advance notification.	Operated by ELJSA & CMA CGM & COSCO & YML. (F.E./S. America Service)	—
Slot Exchange Agreement	NIPPON YUSEN KAISHA	From: Jan. 19, 2017 Till: Dec. 19, 2018 Contract termination subject to 90 days advance notification.	EMC slot exchanges with NYK. (F.E./S. America Service)	—
Vessel Sharing Agreement	1. COSCO CONTAINER LINE 2. KAWASAKI KISEN KAISHA LTD. 3. MITSUI O.S.K. LINES LTD. 4. PACIFIC INTERNATIONAL LINES	From: Sep. 29, 2014 Till: Unlimited extensions. Contract termination subject to 90 days advance notification.	Operated by EMC, COSCO, MOL, PIL and KLINE jointly. (F.E./S. Africa Service)	—

AGREEMENT	THE PARTY	DURATION	CONTENT	RESTRICTIONS
Vessel Sharing Agreement	1. COSCO 2. YANG MING LINE	From: Dec. 26, 2015 Till: Unlimited extensions. Contract termination subject to 3 months advance notification.	Operated by EMC, COSCO and YML. (F.E./S. USWC Service)	—
Vessel Sharing Agreement	1. COSCO CONTAINER LINES 2. PACIFIC INTERNATIONAL LINES 3. WAN HAI LINES 4. YANG MING LINES	From: Dec. 25, 2015 Till: Unlimited extensions. Contract termination subject to 3 months advance notification.	Operated by EMC, COSCO, PACIFIC, WHL and YML. (F.E./S. USWC Service)	—
Charter contract	GESA	Sep. 01, 2013-Aug. 31, 2021	Chartering 13 freighters from GESA for operation.	—
Charter contract	EITC	Jan. 01, 2003-Jan. 01, 2022	Chartering 2 freighters from EITC for operation.	—
Charter contract	IS CONTAINER PTE LTD	Apr. 26, 2017-Feb. 26, 2027	Chartering a freighter from IS CONTAINER PTE LTD for operation.	—
Charter contract	IS CONTAINER PTE LTD	Aug. 11, 2017-Jun. 12, 2027	Chartering a freighter from IS CONTAINER PTE LTD for operation.	—
Charter contract	CUL	Apr. 24, 2015-Dec. 31, 2019	Freighter owned by EMC leased to CUL.	—

I. Five- Year Financial Summary

1. Consolidated Condensed Balance Sheet

Unit: NT$ Thousands

Item	Year	Financial Summary for The Last Five Years					As of March 31, 2019 (Note)
		2014	2015	2016	2017	2018	
Current assets		57,268,959	52,171,999	53,977,007	60,951,228	67,898,508	64,264,630
Property, plant and equipment		99,524,289	107,619,180	99,470,430	97,687,454	117,219,185	102,991,874
Intangible assets		22,578	22,371	121,341	159,667	2,266,526	2,199,342
Other assets		32,119,181	32,838,657	36,184,986	41,281,548	41,627,736	122,114,316
Total assets		188,935,007	192,652,207	189,753,764	200,079,897	229,011,955	291,570,162
Current liabilities	Before distribution	40,653,423	39,356,167	42,031,169	44,760,401	50,061,985	57,124,254
	After distribution	41,001,181	-	-	45,562,872	-	-
Non-current liabilities		83,445,251	92,001,438	94,084,094	88,630,706	107,982,134	162,847,063
Total liabilities	Before distribution	124,098,674	131,357,605	136,115,263	133,391,107	158,044,119	219,971,317
	After distribution	124,446,432	-	-	134,193,578	-	-
Equity attributable to owners of the parent		60,880,785	58,001,047	50,987,493	63,398,554	66,844,230	67,567,858
Common stock		34,775,802	35,123,560	35,123,560	40,123,560	45,129,738	45,129,738
Capital Surplus		7,292,458	7,986,633	7,989,014	10,838,075	11,059,145	11,058,716
Retained earnings	Before distribution	17,185,085	11,795,067	4,985,031	11,754,606	9,462,191	10,021,763
	After distribution	16,489,569	-	-	8,945,957	-	-
Other equity interest		1,627,440	3,095,787	2,889,888	682,313	1,193,156	1,357,641
Treasury shares		-	-	-	-	-	-
Non-controlling interest		3,955,548	3,293,555	2,651,008	3,290,236	4,123,606	4,030,987
Total equity	Before distribution	64,836,333	61,294,602	53,638,501	66,688,790	70,967,836	71,598,845
	After distribution	64,488,575	-	-	65,886,319	-	-

Note: The consolidated financial statements as of March 31, 2019 have been reviewed by independent auditors.

2. Consolidated Condensed Statement of Comprehensive Income

Unit: NT$ Thousands

Item / Year	Financial Summary for The Last Five Years					As of March 31, 2019 (Note)
	2014	2015	2016	2017	2018	
Operating revenue	144,284,374	133,813,687	124,467,608	150,582,692	169,236,653	45,697,052
Gross Profit	7,345,227	1,540,315	(3,494,113)	10,874,287	7,470,868	3,424,758
Operating income (loss)	3,758,015	(3,847,026)	(7,848,262)	4,817,470	926,217	1,303,077
Non-operating income and expenses	(546,272)	(835,470)	(960,721)	2,630,079	269,187	(594,548)
Profit (loss) before income tax	3,211,743	(4,682,496)	(8,808,983)	7,447,549	1,195,404	708,529
Profit (loss) from continuing operations	2,035,049	(4,739,297)	(8,565,311)	6,661,621	78,501	463,906
Profit (loss) from discontinued operation	-	-	-	-	-	-
Profit (loss) for the period	2,035,049	(4,739,297)	(8,565,311)	6,661,621	78,501	463,906
Other comprehensive income (loss), net of income tax	2,594,253	851,149	906,829	(2,971,907)	575,603	167,532
Total comprehensive income (loss)	4,629,302	(3,888,148)	(7,658,482)	3,689,714	654,104	631,438
Profit (loss), attributable to owners of the parent	1,155,924	(4,408,079)	(6,607,986)	7,005,171	293,919	559,572
Profit (loss), attributable to non-controlling interest	879,125	(331,218)	(1,957,325)	(343,550)	(215,418)	(95,666)
Comprehensive income (loss), attributable to owners of the parent	3,601,295	(3,226,155)	(7,015,935)	4,562,000	1,031,164	724,057
Comprehensive income (loss), attributable to non-controlling interests	1,028,007	(661,993)	(642,547)	(872,286)	(377,060)	(92,619)
Earnings per share (in dollars)	0.33	(1.26)	(1.88)	1.88	0.07	0.12

Note: The consolidated financial statements as of March 31, 2019 have been reviewed by independent auditors.

3. Condensed Balance Sheet

Unit: NT$ Thousands

Item (Year)		Financial Summary for The Last Five Years				
		2014	2015	2016	2017	2018
Current assets		20,382,555	24,394,141	26,797,737	29,795,801	30,035,812
Property, plant and equipment		20,522,164	27,982,312	26,055,383	27,118,687	35,045,526
Intangible assets		9,705	10,080	52,203	39,071	28,730
Other assets		63,359,304	58,542,582	53,141,674	63,841,016	62,818,147
Total assets		104,273,728	110,929,115	106,046,997	120,794,575	127,928,215
Current liabilities	Before distribution	13,740,529	15,261,971	14,761,758	15,220,244	15,248,630
	After distribution	14,088,287	-	-	16,022,175	-
Non-current liabilities		29,652,414	37,666,097	40,297,746	42,175,777	45,835,355
Total liabilities	Before distribution	43,392,943	52,928,068	55,059,504	57,396,021	61,083,985
	After distribution	43,740,701	-	-	58,198,492	-
Common stock		34,775,802	35,123,560	35,123,560	40,123,560	45,129,738
Capital surplus		7,292,458	7,986,633	7,989,014	10,838,075	11,059,145
Retained earnings	Before distribution	17,185,085	11,795,067	4,985,031	11,754,606	9,462,191
	After distribution	16,489,569	-	-	8,945,957	-
Other equity interest		1,627,440	3,095,787	2,889,888	682,313	1,193,156
Treasury shares		-	-	-	-	-
Total equity	Before distribution	60,880,785	58,001,047	50,987,493	63,398,554	66,844,230
	After distribution	60,533,027	-	-	62,596,083	-

4. Condensed Statement of Comprehensive Income

Unit: NT$ Thousands

Item \ Year	Financial Summary for The Last Five Years				
	2014	2015	2016	2017	2018
Operating revenue	26,151,838	25,134,073	23,060,494	28,897,616	33,994,571
Gross Profit	3,175,924	1,932,085	910,018	2,011,325	1,481,708
Operating income (loss)	3,589,338	469,199	(764,840)	232,667	(418,690)
Non-operating income and expenses	(1,668,545)	(5,813,782)	(6,297,750)	6,985,241	928,194
Profit (loss) before income tax	1,920,793	(4,714,583)	(7,062,590)	7,217,908	509,504
Profit (loss) from continuing operations	1,155,924	(4,408,079)	(6,607,986)	7,005,171	293,919
Profit (loss) from discontinued operation	-	-	-	-	-
Profit (loss) for the year	1,155,924	(4,408,079)	(6,607,986)	7,005,171	293,919
Other comprehensive income, net of income tax	2,445,371	1,181,924	(407,949)	(2,443,171)	732,511
Total comprehensive income	3,601,295	(3,226,155)	(7,015,935)	4,562,000	1,026,430
Earnings per share (in dollars)	0.33	(1.26)	(1.88)	1.88	0.07

5. Auditors' Opinions from 2014 to 2018

Year	Accounting Firm	CPA	Audit Opinion
2018	PricewaterhouseCoopers, Taiwan	Lee, Hsiu-Ling Chih, Ping-Chiun	An unqualified opinion
2017	PricewaterhouseCoopers, Taiwan	Lai, Chung-His Chih, Ping-Chiun	An unqualified opinion
2016	PricewaterhouseCoopers, Taiwan	Lai, Chung-His Chih, Ping-Chiun	An unqualified opinion
2015	PricewaterhouseCoopers, Taiwan	Lai, Chung-His Chih, Ping-Chiun	An unqualified opinion with explanatory paragraph
2014	PricewaterhouseCoopers, Taiwan	Lai, Chung-His Chih, Ping-Chiun	An unqualified opinion with explanatory paragraph

II. Five- Year Financial Analysis

1. Consolidated Financial Analysis

Item \ Year	2014	2015	2016	2017	2018	As of March 31, 2019 (Note)
Financial structure (%)						
Debt ratio	65.68	68.18	71.73	66.67	69.01	75.44
Long-term funds to property, plant and equipment	148.99	142.44	148.51	159.00	152.66	227.64
Solvency (%)						
Current ratio	140.87	132.56	128.42	136.17	135.63	112.50
Quick ratio	127.35	123.12	118.34	124.33	121.80	101.88
Times interest earned (times)	6.95	(3.75)	(6.07)	6.39	1.64	1.53
Operating performance						
Receivable turnover (times)	10.30	10.19	10.32	11.42	10.66	2.77
Average collection days	35	36	35	32	34	32
Inventory turnover (times)	-	-	-	-	-	-
Accounts payable turnover (times)	9.78	9.48	9.94	9.81	9.08	2.23
Average Inventory turnover days	-	-	-	-	-	-
Property, plant and equipment turnover (times)	1.64	1.29	1.20	1.53	1.57	0.42
Total assets turnover (times)	0.79	0.70	0.65	0.77	0.79	0.18
Profitability						
Return on total assets (%)	1.36	(2.06)	(3.94)	4.01	0.74	0.59
Return on total equity (%)	3.26	(7.51)	(14.90)	11.07	0.11	0.65
Pre-tax income to paid-in capital (%)	9.24	(13.33)	(25.08)	18.56	2.65	1.57
Profit ratio (%)	1.41	(3.54)	(6.88)	4.42	0.05	1.02
Earnings per share (NT$)	0.33	(1.26)	(1.88)	1.88	0.07	0.12
Cash flow (%)						
Cash flow ratio	27.54	13.26	(1.83)	25.00	6.08	5.03
Cash flow adequacy ratio	68.43	44.45	73.34	136.2	127.32	107.94
Cash flow reinvestment ratio	5.56	2.28	(0.36)	5.05	0.88	0.97

Item / Year	2014	2015	2016	2017	2018	As of March 31, 2019 (Note)
Leverage						
Operating leverage	4.20	(2.76)	(0.63)	3.93	17.19	6.29
Financial leverage	1.17	0.80	0.86	1.40	(0.97)	(41.23)

Analysis of financial ratio differences for the last two years. (Not required if the difference does not exceed 20%)

1. Since the profit before income tax the profit for the year both decreased, the related profitability ratios were lower than last year.
2. Compared with last year, the abovestated cash flow related ratios declined since the net cash flows from operating activities of 2018 decreased as well.
3. The fluctuation of the leverage ratios stemmed from the decrease of the gross profit.

Note: The consolidated financial statements as of March 31, 2019 have been reviewed by independent auditors.

2. Non-Consolidated Financial Analysis

Item / Year	2014	2015	2016	2017	2018
Financial structure (%)					
Debt ratio	41.61	47.71	51.91	47.51	47.74
Long-term funds to property, plant and equipment	441.14	341.88	350.35	389.3	321.52
Solvency (%)					
Current ratio	148.33	159.83	181.53	195.76	196.97
Quick ratio	142.61	155.50	177.51	189.75	189.35
Times interest earned (times)	505.92	(804.44)	(1048.67)	1237.22	174.31
Operating performance					
Receivable turnover (times)	13.27	12.07	11.2	10.87	9.55
Average collection days	28	30	33	34	38
Inventory turnover (times)	-	-	-	-	-
Accounts payable turnover (times)	10.29	9.96	9.07	8.63	7.96
Average Inventory turnover days	-	-	-	-	-

Item / Year	2014	2015	2016	2017	2018
Property, plant and equipment turnover (times)	1.51	1.03	0.85	1.08	1.09
Total assets turnover (times)	0.25	0.23	0.21	0.25	0.27
Profitability					
Return on total assets (%)	1.52	(3.69)	(5.62)	6.64	0.67
Return on total equity (%)	1.95	(7.41)	(12.12)	12.24	0.45
Pre-tax income to paid-in capital (%)	5.52	(13.42)	(20.10)	17.98	1.12
Profit ratio (%)	4.42	(17.53)	(28.65)	24.24	0.86
Earnings per share (NT$)	0.33	(1.26)	(1.88)	1.88	0.07
Cash flow (%)					
Cash flow ratio	22.97	2.20	4.59	16.85	5.55
Cash flow adequacy ratio	81.88	83.48	258.89	183.38	100.05
Cash flow reinvestment ratio	3.24	(0.01)	0.68	2.24	0.03
Leverage					
Operating leverage	1.37	7.66	(3.29)	15.58	(12.88)
Financial leverage	1.15	(9.01)	0.55	(0.57)	0.37

Analysis of financial ratio differences for the last two years. (Not required if the difference does not exceed 20%)

1. Times interest earned ratio and profitability decrease due to the net income decrease than last year.
2. Cash flow ratio and cash flow adequacy ratio decrease due to the cash provided by operating activities decrease.
3. Leverage decreases due to operating income decrease than last year.

1. Financial structure
   (1) Debt ratio = Total liabilities / Total assets
   (2) Long-term funds to property, plant and equipment = (Shareholders' equity + long-term liabilities) / Net property, plant and equipment
2. Solvency
   (1) Current ratio = Current assets / Current liabilities
   (2) Quick ratio = (Current assets - Inventories - Prepaid expenses) / Current liabilities
   (3) Times interest earned = Earnings before interest and taxes / Interest expenses

3. Operating performance
   (1) Receivable turnover = Net sales / Average account receivables
   (2) Average collection days = 365 / Receivable turnover
   (3) Inventory turnover = Cost of sales / Average inventory
   (4) Accounts payable turnover = Cost of sales / Average accounts payable
   (5) Average inventory turnover days = 365 / Average inventory turnover
   (6) Property, plant and equipment turnover = Net Sales / Average net property, plant and equipment
   (7) Total assets turnover = Net sales / Average total assets
4. Profitability
   (1) Return on total assets = (Net income + Interest expenses * (1 - Effective tax rate)) / Average total assets
   (2) Return on total equity = Net income / Average shareholders' equity
   (3) Net margin = Net income / Net sales
   (4) Earnings per share = (Net income - Preferred stock dividend) / Weighted average number of shares outstanding
5. Cash flow
   (1) Cash flow ratio = Net cash provided by operating activities / Current liabilities
   (2) Cash flow adequacy ratio = Five-year sum of cash from operations / Five-year sum of capital expenditures, inventory additions, and cash dividend
   (3) Cash flow reinvestment ratio = (Cash provided by operating activities - Cash dividends) / (Gross fixed assets + Long-term investments + Other assets + Working capital)
6. Leverage
   (1) Operating leverage = (Net sales - Variable cost) / Operating income
   (2) Financial leverage = Operating income / (Operating income - Interest expenses)

III. The Company should disclose the financial impact to the Company if the Company and its affiliated companies have incurred any financial or cash flow difficulties in 2018 and as of the date of this Annual Report: None.

IV. Audit committee’s Review Report

Audit committee’s Review Report

To: 2019 Annual General Shareholders’ Meeting
EVERGREEN MARINE CORPORATION (TAIWAN) LTD.

The Board of Directors has prepared the Company’s 2018 business report, financial report, and proposal for distribution of earnings. The CPA firm of PricewaterhouseCoopers, Taiwan has audited the financial report and issued the audit report. The above business report, financial report, and proposal for distribution of earnings have been reviewed and determined to be correct and accurate by the Audit Committee members of EVERGREEN MARINE CORPORATION (TAIWAN) LTD. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.

Convener of the Audit committee: Li, Chang-Chou

March 22,2019

V. Consolidated Financial Statements and Report of Independent Accountants

Representation Letter

In connection with the Consolidated Financial Statements of Affiliated Enterprises of EVERGREEN MARINE CORPORATION (TAIWAN) LTD. (the "Consolidated FS of the Affiliates"), we represent to you that, the entities required to be included in the Consolidated FS of the Affiliates as of and for the year ended December 31, 2018 in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those required to be included in the Consolidated Financial Statements of EVERGREEN MARINE CORPORATION (TAIWAN) LTD. and its subsidiaries (the "Consolidated FS of the Group") in accordance with International Financial Reporting Standard 10, as well as that, the information required to be disclosed in the Consolidated FS of Affiliates is disclosed in the Consolidated FS of the Group. Consequently, EVERGREEN MARINE CORPORATION (TAIWAN) LTD. does not prepare a separate set of Consolidated FS of Affiliates.

Very truly yours,
EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
By

CHENG-YUNG CHANG, Chairman
March 22, 2019

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Evergreen Marine Corporation (Taiwan) Ltd.

Introduction

We have audited the accompanying consolidated balance sheets of Evergreen Marine Corporation (Taiwan) Ltd. (the“ Company”) and its subsidiaries (collectively referred herein as the “Group”) as of December 31, 2018 and 2017, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other independent accountants (please refer to Other Matter section of the report), the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2018 and 2017, and its financial performance and cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China (ROC GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained and the reports of other independent accountants are sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements of the current period are stated as follows:

Accuracy and cut-off of freight revenue

Description

Please refer to Note 4(31) for accounting policies on revenue recognition, Note 5(2) for uncertainty of accounting estimates and assumptions applied on revenue recognition, and Note 6(21) for details of sales revenue.

Evergreen Marine Corporation (Taiwan) Ltd. primarily engages in global container shipping service covering ocean-going and near-sea shipping line, shipping agency business as well as container freight station business. In 2018, freight revenue from contracts with customers was NT$ 153,056,483 thousand, representing 90.44% of operating revenue. Since ocean-going shipping often lasts for several days, voyages are sometimes completed after the date of balance sheet. Also, demands for freight are consistently sent by forwarders during voyage. Due to the factors mentioned above, freight revenue is recognized under the percentage-of-completion method for each vessel during the reporting period.

Despite the Group conducting business worldwide, its transactions are all in small amounts, whereas the freight rate is subject to fluctuation caused by cargo loading rate as well as market competition. Worldwide shipping agencies use a system to record the transactions by entering data including shipping departure, destination, counterparty, transit time, shipping amounts, and freight price for the Group. Therefore, management could recognize freight revenue in accordance with the data on bill of lading reports generated from the system, accompanied by estimation made from past experience and current cargo loading conditions the revenue that would flow in, and calculate the revenue under the percentage-of-completion method. As the process of recording transactions, communicating with agencies, and maintaining the system are done manually, and the estimation of freight revenue are subject to management's judgement, therefore freight revenue involves high uncertainty and is material to the financial statements. Given the conditions mentioned above, we consider the accuracy of freight revenue and the appropriate use of cut-off by the Group and its investee companies as a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above key audit matter included the following:

1. Obtained an understanding of the operation and industry of the Group to assess the reasonableness of policies and procedures on revenue recognition, and confirmed whether it is appropriate to the financial statements.
2. Obtained an understanding of the procedures of revenue recognition from booking, picking, billing to receiving. Assessed and tested relevant internal controls, including checking freight items and amounts of delivery information against the approved contracts and booking list. In addition, recalculated the accuracy of freight revenue, and ensured its consistency with the bill of lading report.
3. Obtained the estimated freight income report for vessels underway as of balance sheets date, and inquired with management for the reasonableness of judgement. In addition, checked historical freight revenue for total voyage under each individual vessel, along with comparing with current cargo loading condition as well as actual revenue received after period end to ensure the reasonableness of revenue assumptions.
4. Confirmed the completeness of vessels underway for the reporting period, including tracking the movements of shipments on the internet to ensure the vessels that depart before period end have been taken into consideration in the freight revenue calculation.
5. Verified accuracy of data used in calculating percentage of completion under each voyage, including selecting samples and check whether total shipping days shown on the Company's website are in agreement with cruise timetable as well as recalculating shipping days (days between departure and balance sheet date), in order to examine the soundness of percentage applied.

Impairment of property, plant and equipment

Description

Please refer to Note 4(16) for accounting policies on property, plant and equipment, Note 5(2) for uncertainty of accounting estimates and assumptions applied on impairment of property, plant and equipment, and Note 6(8) for details of property, plant and equipment.

As of December 31, 2018, property, plant and equipment amounted to NT$ 117,219,185 thousand, constituting 51.18% of total assets, and ship equipment, transport equipment and cargo handling equipment amounted to NT$ 95,517,451 thousand, accounting for approximately 81.49% of total property, plant and equipment. As new ships have been built and put into operation by many carriers around the world, market supply has exceeded demand. Therefore, the market imbalance led to price competition, resulting in unstable profitability for the industry and raising the risk of impairment arising from main operating ship equipment, transport equipment and cargo handling equipment. The valuation of impairment and recoverable amounts are evaluated by the Group using the present value of the future cash flows expected to be derived from an asset or cash-generating unit compared to the book value. The main assumptions of discount rates used in recoverable amounts, and expected operating revenue growth rates, gross profit, operating profit rates, capital expenditures and discount rates used in future cash flow estimates are subject to management's judgement and involve high uncertainty, and the estimated results are material to the consolidated financial statements. Given the conditions mentioned above, we consider the impairment assessment of ship equipment, transport equipment and cargo handling equipment in the property, plant and equipment under the Group and its investee companies as a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above key audit matter included the following:

1. Obtained an understanding and assessed the relevant policies, internal controls and process applied to valuation of asset impairments.
2. Interviewed with management regarding the impairment test report, and assessed the reasonableness of discount rates and the reasonableness of operating revenue, gross profit, operating profit rate, growth rates and capital expenditure that management used in estimating future cash flows by checking actual performance under past operating plans and comparing the performance with industry forecast to evaluate the intention and capability of management.
3. Checked the parameters of the valuation model and recalculated the valuation model for accuracy.

Significant transaction

Description

Please refer to Note 4(32) for accounting policies on business combination and Note 6(31) for details of business combination.

The subsidiary, Evergreen Marine (Hong Kong) Ltd., acquired 100% equity interest of Hatsu Marine (Hong Kong) Limited for a cash consideration of $3,265,341 thousand in December 2018. The fair value of identifiable net assets, inclusive of intangible asset - customer relationship, amounted to $ 3,274,188 thousand and gain from bargain purchase amounted to $ 8,847 thousand. The merger was classified as a significant transaction during the reporting period. The valuation and measurement of the fair value of identifiable net assets based on management's estimation and the Purchase Price Allocation report issued by the independent expert appraisers involved critical judgements and estimates so as to be material to the financial statements. Given the conditions mentioned above, we consider the allocation of purchase price as a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above key audit matter included the following:

1. Understood and assessed the purpose of the acquisition, relevant internal controls and process applied to the accounting treatments.
2. Understood and assessed the valuation models that management used in measuring the fair value of the acquisition and the reasonableness of major assumption, inclusive of discount rate and operating revenue, gross profit and operating profit rate that management used in estimating future cash flows.
3. Obtained an understanding of the acquisition price allocation and procedures including acquiring the measurement and disclosure of relevant policy and evaluation procedures relating to acquiree's identifiable net assets and reviewed the contract and the Purchase Price Allocation report of the acquisition. In addition, examined the date, the consideration and the fair value of acquiree's identifiable net assets of the acquisition determined by management to ensure the accuracy of the accounting treatment.

Other matter – Report of other independent accountants

We did not audit the financial statements of all the consolidated subsidiaries. Those statements and the information disclosed in Note 13 were performed by other independent accountants whose reports thereon have been furnished to us, and our audit expressed herein is based solely on the reports of the other independent accountants. The statements reflect that total assets in these subsidiaries amounted to NT$52,567,030 thousand and NT$53,765,827 thousand, constituting 22.95% and 26.87% of the total consolidated assets as of December 31, 2018, and 2017, respectively. Net operating revenues in the subsidiaries amounted to NT$50,179,774 thousand and NT$55,681,727 thousand, constituting 29.65% and 36.98% of the total consolidated net operating revenues of 2018 and 2017 for the years then ended. In addition, we did not audit the financial statements of all the investee companies accounted for using equity method. Those statements and the information disclosed in Note 13 were audited by other independent accountants whose reports thereon have been furnished to us, and our audit expressed herein, insofar as it relates to the amounts included for those investee companies accounted for using equity method and information disclosed in Note 13 related to these long-term equity investments, is based solely on the reports of other independent accountants. Long-term equity investments in these investee companies amounted to NT$17,158,367 thousand and NT$16,239,361 thousand, constituting 7.49% and 8.12% of the total consolidated assets as of December 31, 2018 and 2017, respectively, and comprehensive income (including share of profit or loss and share of other comprehensive income of associates and joint ventures accounted for using equity method) was NT$109,172 thousand and NT$1,892,245 thousand constituting 16.69% and 51.28% of the consolidated total comprehensive income and loss for the years then ended, respectively.

Other matter – Parent company only financial reports

We have audited the parent company only financial statement of Evergreen Marine Corporation (Taiwan) Ltd. as of and for the years ended December 31, 2018 and 2017 on which we have issued an unqualified opinion with explanatory paragraph thereon.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group’s financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ROC GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ROC GAAS, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lee, Hsiu-Ling
Chih, Ping-Chiun
For and on behalf of PricewaterhouseCoopers, Taiwan
March 22, 2019

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2018 AMOUNT	%	December 31, 2017 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 38,230,522	17	$ 38,108,263	19
1140	Current contract assets	6(21)	2,244,065	1	-	-
1150	Notes receivable, net	6(4)	154,295	-	66,410	-
1170	Accounts receivable, net	6(4)	15,013,211	7	12,976,049	7
1180	Accounts receivable, net - related parties	7	503,638	-	793,621	-
1200	Other receivables		882,521	1	396,179	-
1210	Other receivables - related parties	7	598,931	-	486,727	-
1220	Current income tax assets		221,601	-	159,893	-
130X	Inventories	6(5)	5,100,897	2	3,719,429	2
1410	Prepayments		1,824,053	1	1,579,564	1
1470	Other current assets	6(6) and 8	3,124,774	1	2,665,093	1
11XX	**Current assets**		67,898,508	30	60,951,228	30
	Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	6(2)	1,650,372	1	-	-
1523	Available-for-sale financial assets - non-current	12(4)	-	-	2,282,619	1
1527	Held-to-maturity financial assets - non-current	12(4)	-	-	100,000	-
1535	Non-current financial assets at amortised cost, net	6(3)	100,000	-	-	-
1550	Investments accounted for using equity method	6(7)	28,265,168	12	26,783,026	14
1600	Property, plant and equipment, net	6(8), 8 and 9	117,219,185	51	97,687,454	49
1760	Investment property, net	6(9) and 8	5,835,074	3	4,969,272	3
1780	Intangible assets		2,266,526	1	159,667	-
1840	Deferred income tax assets	6(28)	835,979	-	708,266	-
1900	Other non-current assets	6(10)(15) and 8	4,941,143	2	6,438,365	3
15XX	**Non-current assets**		161,113,447	70	139,128,669	70
1XXX	**Total assets**		$ 229,011,955	100	$ 200,079,897	100

(Continued)

EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2018 AMOUNT	%	December 31, 2017 AMOUNT	%
	Current liabilities					
2130	Current contract liabilities	6(21)	$ 1,774,392	1	$ -	-
2170	Accounts payable		19,813,190	9	15,358,651	8
2180	Accounts payable - related parties	7	253,172	-	203,868	-
2200	Other payables		3,622,892	2	3,111,155	2
2220	Other payables - related parties	7	1,184,484	-	1,002,731	1
2230	Current income tax liabilities		797,877	-	368,327	-
2300	Other current liabilities	6(11)	22,615,978	10	24,715,669	12
21XX	**Current liabilities**		50,061,985	22	44,760,401	23
	Non-current liabilities					
2530	Corporate bonds payable	6(12)	10,000,000	4	8,000,000	4
2540	Long-term loans	6(13)	83,010,375	36	65,369,665	32
2570	Deferred income tax liabilities	6(28)	1,970,567	1	1,749,020	1
2600	Other non-current liabilities	6(14)(15)	13,001,192	6	13,512,021	7
25XX	**Non-current liabilities**		107,982,134	47	88,630,706	44
2XXX	**Total liabilities**		158,044,119	69	133,391,107	67
	Equity attributable to owners of the parent					
	Capital	6(17)				
3110	Common stock		45,129,738	20	40,123,560	20
	Capital surplus	6(18)				
3200	Capital surplus		11,059,145	5	10,838,075	5
	Retained earnings	6(19)				
3310	Legal reserve		5,685,548	2	4,985,031	3
3350	Unappropriated retained earnings		3,776,643	2	6,769,575	3
	Other equity interest	6(20)				
3400	Other equity interest		1,193,156	-	682,313	1
31XX	**Equity attributable to owners of the parent**		66,844,230	29	63,398,554	32
36XX	**Non-controlling interest**		4,123,606	2	3,290,236	1
3XXX	**Total equity**		70,967,836	31	66,688,790	33
	Significant Contingent Liabilities And Unrecognized Contract Commitments	9				
	Significant Events After The Balance	11				
3X2X	**Total liabilities and equity**		$ 229,011,955	100	$ 200,079,897	100

The accompanying notes are an integral part of these consolidated financial statements.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except earnings per share)

	Items	Notes	2018 AMOUNT	2018 %	2017 AMOUNT	2017 %
4000	**Operating revenue**	6(21) and 7	$ 169,236,653	100	$ 150,582,692	100
5000	**Operating costs**	6(26)(27) and 7	(161,771,163)	(95)	(139,693,568)	(93)
5900	**Gross profit**		7,465,490	5	10,889,124	7
5910	Unrealized profit from sales		(8,131)	-	(27,306)	-
5920	Realized profit on from sales		13,509	-	12,469	-
5950	**Gross profit**		7,470,868	5	10,874,287	7
	Operating expenses	6(26)(27) and 7				
6100	Selling expenses		(1,533,425)	(1)	(1,386,988)	(1)
6200	General and administrative expenses		(6,520,083)	(4)	(5,171,613)	(3)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9		(1,473)	-	-	-
6000	**Operating expenses**		(8,054,981)	(5)	(6,558,601)	(4)
6500	**Other gains - net**	6(22)	1,510,330	1	501,784	-
6900	**Operating profit**		926,217	1	4,817,470	3
7010	Other income	6(23)	1,473,164	1	954,306	1
7020	Other gains and losses	6(24)	(77,900)	-	572,894	-
7050	Finance costs	6(25)	(1,880,424)	(1)	(1,380,716)	(1)
7060	Share of loss of associates and joint ventures accounted for using equity method		754,347	-	2,483,595	2
7000	**Total non-operating income and expenses**		269,187	-	2,630,079	2
7900	**Profit before income tax**		1,195,404	1	7,447,549	5
7950	Income tax expense	6(28)	(1,116,903)	(1)	(785,928)	(1)
8200	**Profit for the year**		$ 78,501	-	$ 6,661,621	4

Years ended December 31

(Continued)

EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except earnings per share)

	Items	Notes	Years ended December 31 2018 AMOUNT	%	2017 AMOUNT	%
	Other comprehensive income (loss)					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Actuarial loss on defined benefit plan		($ 32,228)	-	($ 149,004)	-
8316	Unrealised losses on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(2)	(316,044)	-	-	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		(44,100)	-	(114,187)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(28)	23,136	-	16,942	-
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**		(369,236)	-	(246,249)	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translating the financial statements of foreign operations		839,342	-	(2,564,224)	(2)
8362	Unrealized gain on valuation of available-for-sale financial assets		-	-	103,671	-
8370	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method		104,751	-	(259,276)	-
8399	Income tax relating to the components of other comprehensive income (loss)	6(28)	746	-	(5,829)	-
8360	**Components of other comprehensive income that will be reclassified to profit or loss**		944,839	-	(2,725,658)	(2)
8300	**Other comprehensive (loss) income for the year, net of income tax**		$ 575,603	-	($ 2,971,907)	(2)
8500	**Total comprehensive income for the year**		$ 654,104	-	$ 3,689,714	2
	Profit (loss), attributable to:					
8610	Owners of the parent		$ 293,919	-	$ 7,005,171	4
8620	Non-controlling interest		($ 215,418)	-	($ 343,550)	-
	Comprehensive income (loss) attributable to:					
8710	Owners of the parent		$ 1,031,164	-	$ 4,562,000	3
8720	Non-controlling interest		($ 377,060)	-	($ 872,286)	(1)
	Earnings per share (in dollars)	6(29)				
9750	**Basic earnings per share**		$	0.07	$	1.88
9850	**Diluted earnings per share**		$	0.07	$	1.88

The accompanying notes are an integral part of these consolidated financial statements.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent											
				Retained earnings		Other equity interest							
	Notes	Common stock	Total capital surplus, additional paid-in capital	Legal reserve	(Accumulated deficit) unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealized gain or loss on available-for-sale financial assets	Hedging instrument gain (loss) on effective hedge of cash flow hedges	Total Gains (losses) on hedging instruments	Total	Non-controlling interest	Total equity
Year 2017													
Balance at January 1, 2017		$ 35,123,560	$ 7,989,014	$ 9,233,242	($ 4,248,211)	$ 1,254,622	$ -	$ 1,703,161	($ 67,895)	$ -	$ 50,987,493	$ 2,651,008	$ 53,638,501
Profit (loss) for the year		-	-	-	7,005,171	-	-	-	-	-	7,005,171	(343,550)	6,661,621
Other comprehensive income (loss) for the year	6(19)(20)	-	-	-	(235,596)	(2,389,736)	-	130,178	51,983	-	(2,443,171)	(528,736)	(2,971,907)
Total comprehensive income		-	-	-	6,769,575	(2,389,736)	-	130,178	51,983	-	4,562,000	(872,286)	3,689,714
Distribution of 2016 earnings:	6(19)												
Legal reserve used to cover accumulated deficit		-	-	(4,248,211)	4,248,211	-	-	-	-	-	-	-	-
Issuance of common stock for cash	6(17)(18)	5,000,000	2,711,222	-	-	-	-	-	-	-	7,711,222	-	7,711,222
Employee stock options exercised	6(18)	-	76,280	-	-	-	-	-	-	-	76,280	-	76,280
Adjustments to share of changes in equity of associates and joint ventures	6(18)	-	67,866	-	-	-	-	-	-	-	67,866	-	67,866
Effect of business combination		-	-	-	-	-	-	-	-	-	-	1,613,445	1,613,445
Decrease in non-controlling interests	6(30)	-	(6,307)	-	-	-	-	-	-	-	(6,307)	(101,931)	(108,238)
Balance at December 31, 2017		$ 40,123,560	$ 10,838,075	$ 4,985,031	$ 6,769,575	($ 1,135,114)	$ -	$ 1,833,339	($ 15,912)	$ -	$ 63,398,554	$ 3,290,236	$ 66,688,790
Year 2018													
Balance at January 1, 2018		$ 40,123,560	$ 10,838,075	$ 4,985,031	$ 6,769,575	($ 1,135,114)	$ -	$ 1,833,339	($ 15,912)	$ -	$ 63,398,554	$ 3,290,236	$ 66,688,790
Retrospective application	3(1), 6(19) and 12(4)	-	-	-	276,681	-	1,553,662	(1,833,339)	15,912	(15,912)	(2,996)	(1,231)	(4,227)
Balance at 1 January after adjustments		40,123,560	10,838,075	4,985,031	7,046,256	(1,135,114)	1,553,662	-	-	(15,912)	63,395,558	3,289,005	66,684,563
Profit (loss) for the year		-	-	-	293,919	-	-	-	-	-	293,919	(215,418)	78,501
Other comprehensive income (loss) for the year	6(20)	-	-	-	(71,341)	1,152,694	(301,371)	-	-	(42,737)	737,245	(161,642)	575,603
Total comprehensive income		-	-	-	222,578	1,152,694	(301,371)	-	-	(42,737)	1,031,164	(377,060)	654,104
Distribution of 2017 earnings:	6(17)(19)												
Legal capital reserve		-	-	700,517	(700,517)	-	-	-	-	-	-	-	-
Stock dividends		2,006,178	-	-	(2,006,178)	-	-	-	-	-	-	-	-
Cash dividends		-	-	-	(802,471)	-	-	-	-	-	(802,471)	-	(802,471)
Issuance of common stock for cash	6(17)(18)	3,000,000	226,890	-	-	-	-	-	-	-	3,226,890	-	3,226,890
Employee stock options exercised	6(18)	-	17,610	-	-	-	-	-	-	-	17,610	-	17,610
Adjustments to share of changes in equity of associates and joint ventures	6(18)	-	20,412	-	3,537	-	(4,628)	-	-	-	19,321	-	19,321
Disposal of investments in equity instruments designated at fair value	6(2)	-	-	-	13,438	-	(13,438)	-	-	-	-	-	-
Effect of business combination		-	-	-	-	-	-	-	-	-	-	55,857	55,857
Decrease in non-controlling interests	6(18)(30)	-	(43,842)	-	-	-	-	-	-	-	(43,842)	1,155,804	1,111,962
Balance at December 31, 2018		$ 45,129,738	$ 11,059,145	$ 5,685,548	$ 3,776,643	$ 17,580	$ 1,234,225	$ -	$ -	($ 58,649)	$ 66,844,230	$ 4,123,606	$ 70,967,836

The accompanying notes are an integral part of these consolidated financial statements.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31 2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 1,195,404	$ 7,447,549
Adjustments			
Income and expenses having no effect on cash flows			
Depreciation	6(8)(9)(24)(26)	8,803,540	7,691,699
Amortization	6(26)	69,348	38,375
Expected credit loss	12(2)(4)	1,473	21,646
Interest income	6(23)	(563,604)	(436,954)
Interest expense	6(25)	1,880,424	1,380,716
Dividend income	6(23)	(109,996)	(117,436)
Gain on disposal of available-for-sale financial assets		-	(612,704)
Loss on disposal of investments accounted for using equity method	6(24)	122,834	(6,578)
Share of (profit) loss of associates and joint ventures accounted for using equity method		(754,347)	(2,483,595)
Gain from bargain purchase	6(23)	(138,571)	(5,983)
Net gain on disposal of property, plant and equipment	6(22)	(1,510,330)	(501,784)
Loss on disposal of other investments		-	312
Realized income with affliated companies		(13,509)	(19,912)
Unrealized income with affliated companies		8,131	27,306
Employee stock options exercised	6(18)	17,610	76,280
Changes in assets/liabilities relating to operating activities			
Changes in operating assets			
Current contract assets		(358,513)	-
Notes receivable, net		(85,537)	(17,342)
Accounts receivable		(2,505,861)	(509,152)
Accounts receivable, net - related parties		299,056	238,192
Other receivables		(428,644)	416,368
Other receivables - related parties		(98,659)	(184,257)
Inventories		(1,274,022)	(712,073)
Prepayments		(189,060)	(364,000)
Other current assets		(155,729)	(83,272)
Other non-current assets		47,085	2,740
Net changes in liabilities relating to operating activities			
Current contract liabilities		(748,709)	-
Accounts payable		3,779,538	1,785,500
Accounts payable - related parties		50,260	(258,732)
Other payables		199,638	894,990
Other payables - related parties		(788,583)	87,866
Other current liabilities		(1,178,807)	(1,180,528)
Other non-current liabilities		(239,764)	2,130
Cash inflow generated from operations		5,332,096	12,617,367
Interest received		563,604	436,954
Interest paid		(2,019,771)	(1,456,592)
Income tax paid		(830,758)	(406,889)
Net cash flows from operating activities		3,045,171	11,190,840

(Continued)

EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31 2018	2017
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of available-for-sale financial assets		$ -	$ 1,053,435
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(2)	342,661	-
Proceeds from capital reduction of financial assets at fair value through other comprehensive income		924	-
Proceeds from disposal of held-to-maturity financial assets		-	170,000
Acquisition of held-to-maturity financial assets		-	(50,000)
Acquisition of investments accounted for using equity method	6(32)	(980,574)	(16,683)
Proceeds from disposal of investments accounted for using equity method		-	42,803
Proceeds from capital reduction of investments accounted for using equity method		43,904	-
Acquisition of property, plant and equipment	6(32)	(10,065,416)	(1,559,769)
Proceeds from disposal of property, plant and equipment		2,161,292	551,502
Acquisition of intangible assets	6(32)	(29,380)	(55,744)
Increase in guarantee deposits paid		(7,295)	(43,328)
Increase in other non-current assets	6(32)	(14,455,798)	(5,628,835)
Proceeds from disposal of subsidiaries		5	-
Effect of initial consolidation of subsidiaries	6(32)	(2,635,830)	(5,106,379)
Cash dividend received		717,798	796,989
Non-current prepayments for investments		-	(23,166)
Net cash flows used in investing activities		(24,907,709)	(9,869,175)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term loans		-	600,000
Decrease in short-term loans		-	(600,000)
Increase other payables - related parties	7	939,354	814,101
Increase in long-term loans	6(33)	43,572,441	8,447,360
Decrease in long-term loans	6(33)	(27,312,244)	(16,660,954)
Net change in non-controlling interest	6(32)	1,215,982	(85,393)
Increase in corporate bonds payable		2,000,000	8,000,000
Decrease in corporate bonds payable		-	(3,000,000)
Decrease other non-current liabilities		(1,050,945)	(1,350,278)
Increase (decrease) in guarantee deposits received		122,898	(1,262)
Issuance of common stock for cash	6(17)	3,226,890	7,711,222
Cash dividends paid	6(19)	(802,471)	-
Net cash flows from financing activities		21,911,905	3,874,796
Effect of exchange rate changes		72,892	(1,501,647)
Net increase in cash and cash equivalents		122,259	3,694,814
Cash and cash equivalents at beginning of year		38,108,263	34,413,449
Cash and cash equivalents at end of year		$ 38,230,522	$ 38,108,263

The accompanying notes are an integral part of these consolidated financial statements.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of New Taiwan Dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

Evergreen Marine Corporation (Taiwan) Ltd. (the "Company") was established in the Republic of China. The Company and its subsidiaries (collectively referred herein as the "Group") are mainly engaged in domestic and international marine transportation, shipping agency services, and the distribution of containers. The Company was approved by the Securities and Futures Bureau (SFB), Financial Supervisory Commission, Executive Yuan, R.O.C. to be a public company on November 2, 1982 and was further approved by the SFB to be a listed company on July 6, 1987. The Company's shares have been publicly traded on the Taiwan Stock Exchange since September 21, 1987.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised by the Board of Directors on March 22, 2019.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC effective from 2018 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 2, 'Classification and measurement of share-based payment transactions'	January 1, 2018
Amendments to IFRS 4, 'Applying IFRS 9 Financial instruments with IFRS 4 Insurance contracts'	January 1, 2018
IFRS 9, 'Financial instruments'	January 1, 2018
IFRS 15, 'Revenue from contracts with customers'	January 1, 2018
Amendments to IFRS 15, 'Clarifications to IFRS 15 Revenue from contracts with customers'	January 1, 2018
Amendments to IAS 7, 'Disclosure initiative'	January 1, 2017
Amendments to IAS 12, 'Recognition of deferred tax assets for unrealised losses'	January 1, 2017
Amendments to IAS 40, 'Transfers of investment property'	January 1, 2018
IFRIC 22, 'Foreign currency transactions and advance consideration'	January 1, 2018

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Annual improvements to IFRSs 2014-2016 cycle- Amendments to IFRS 1, ‘First-time adoption of International Financial Reporting Standards’	January 1, 2018
Annual improvements to IFRSs 2014-2016 cycle- Amendments to IFRS 12, ‘Disclosure of interests in other entities’	January 1, 2017
Annual improvements to IFRSs 2014-2016 cycle- Amendments to IAS 28, ‘Investments in associates and joint ventures’	January 1, 2018

Except for the following, the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

A. IFRS 9, ‘Financial instruments’

(a) Classification of debt instruments is driven by the entity’s business model and the contractual cash flow characteristics of the financial assets, which would be classified as financial asset at fair value through profit or loss, financial asset measured at fair value through other comprehensive income or financial asset measured at amortised cost. Equity instruments would be classified as financial asset at fair value through profit or loss, unless an entity makes an irrevocable election at inception to present subsequent changes in the fair value of an investment in an equity instrument that is not held for trading in other comprehensive income.

(b) The impairment losses of debt instruments are assessed using an ‘expected credit loss’ approach. An entity assesses at each balance sheet date whether there has been a significant increase in credit risk on that instrument since initial recognition to recognise 12-month expected credit losses or lifetime expected credit losses (interest revenue would be calculated on the gross carrying amount of the asset before impairment losses occurred); or if the instrument that has objective evidence of impairment, interest revenue after the impairment would be calculated on the book value of net carrying amount (i.e. net of credit allowance). The Group shall always measure the loss allowance at an amount equal to lifetime expected credit losses for trade receivables that do not contain a significant financing component.

(c) The amended general hedge accounting requirements align hedge accounting more closely with an entity’s risk management strategy. Risk components of non-financial items and a group of items can be designated as hedged items. The standard relaxes the requirements for hedge effectiveness, removing the 80-125% bright line, and introduces the concept of ‘rebalancing’; while its risk management objective remains unchanged, an entity shall rebalance the hedged item or the hedging instrument for the purpose of maintaining the hedge ratio.

(d) The Group has elected not to restate prior period financial statements using the modified retrospective approach under IFRS 9. The significant effects of adopting the modified transition as of January 1, 2018 are summarised below:

i. In accordance with IFRS 9, the Group expects to reclassify available-for-sale financial assets in the amount of $2,282,619 by increasing financial assets at fair value through other comprehensive income in the amount of $2,282,619. Additionally, the Group increased retained earnings by $281,074, decreased investments accounted for using equity method by $1,397 and decreased other equity interest by $279,677.

ii. In accordance with IFRS 9, the Group expects to reclassify held-to-maturity financial assets of $100,000 by increasing financial assets at amortised cost in the amount of $100,000.

iii. In line with the regulations under IFRS 9 on provision for impairment, the Group increased deferred income tax assets by $289, and decreased notes receivable, net by $5, accounts receivable, net by $857, contract assets, net by $4,467, accounts receivable, net - related parties by $52, other current assets by $502, investments accounted for using equity method by $30, retained earnings by $4,393 and non-controlling interest by $1,231.

iv. Please refer to Note 12(4) for disclosure in relation to the first time application of IFRS 9.

B. IFRS 15, ‘Revenue from contracts with customers’ and amendments

(a) IFRS 15, ‘Revenue from contracts with customers’ replaces IAS 11, ‘Construction contracts’, IAS 18, ‘Revenue’ and relevant interpretations. According to IFRS 15, revenue is recognised when a customer obtains control of promised goods or services. A customer obtains control of goods or services when a customer has the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset.

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

Step 1: Identify contracts with customer.

Step 2: Identify separate performance obligations in the contract(s).

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract(s).

Step 5: Recognise revenue when the performance obligation is satisfied.

Further, IFRS 15 includes a set of comprehensive disclosure requirements that requires an entity to disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

(b) The Group has elected not to restate prior period financial statements and recognised the cumulative effect of initial application as retained earnings at January 1, 2018, using the modified retrospective approach under IFRS 15. The Group applied retrospectively IFRS 15 only to incomplete contracts as of January 1, 2018, by adopting an optional transition expedient. The significant effects of adopting the modified transition as of January 1, 2018 are summarised below:

Presentation of assets and liabilities in relation to contracts with customers

In line with IFRS 15 requirements, the Group changed the presentation of certain accounts in the balance sheet as follows:

i. Under IFRS 15, contracts whereby services have been rendered but not yet billed are recognised as contract assets, but were previously presented as part of accounts receivable in the balance sheet. As of January 1, 2018, the balance amounted to $1,881,693 (including contract assets and allowance for bad debts amounting to $1,886,160 and $4,467, respectively).

ii. Under IFRS 15, liabilities in relation to contracts are recognised as contract liabilities, but were previously presented as advance sales receipts in the balance sheet. As of January 1, 2018, the balance amounted to $2,523,101.

iii. Please refer to Note 12(5) for other disclosures in relation to the first time application of IFRS 15.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2019 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9, ‘Prepayment features with negative compensation’	January 1, 2019
IFRS 16, ‘Leases’	January 1, 2019
Amendments to IAS 19, ‘Plan amendment, curtailment or settlement’	January 1, 2019
Amendments to IAS 28, ‘Long-term interests in associates and joint ventures’	January 1, 2019
IFRIC 23, ‘Uncertainty over income tax treatments’	January 1, 2019
Annual improvements to IFRSs 2015-2017 cycle	January 1, 2019

Except for the following, the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

A. IFRS 16, ‘Leases’

IFRS 16, ‘Leases’, replaces IAS 17, ‘Leases’ and related interpretations and SICs. The standard requires lessees to recognise a 'right-of-use asset' and a lease liability (except for those leases with terms of 12 months or less and leases of low-value assets). The accounting stays the same for lessors, which is to classify their leases as either finance leases or operating leases and account for those two types of leases differently. IFRS 16 only requires enhanced disclosures to be provided by lessors.

The Group expects to recognise the lease contract of lessees in line with IFRS 16. However, the Group does not intend to restate the financial statements of prior period (collectively referred herein as the “modified retrospective approach”). On January 1, 2019, it is expected that right-of-use asset and lease liability will be increased by $60,887,660 and $60,710,151, respectively.

B. Amendments to IAS 19, ‘Plan amendment, curtailment or settlement’

When a change to a plan take place, the amendments require a company to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan.

C. Annual improvements to IFRSs 2015-2017 cycle

(a) Amendments to IFRS 3, ‘Business combinations’

The amendments clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The acquirer should remeasure its previously held interest in the joint operation at fair value at of the acquisition date.

(b) Amendments to IAS 12, ‘Income taxes’

The amendment clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. These requirements apply to all income tax consequences of dividends.

(c) Amendments to IAS 23, ‘Borrowing costs’

The amendments clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

(3) Effect of IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendment to IAS 1 and IAS 8, 'Disclosure Initiative-Definition of Material'	January 1, 2020
Amendments to IFRS 3, 'Definition of a business'	January 1, 2020
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2021

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

A. Amendment to IAS 1 and IAS 8, 'Disclosure Initiative-Definition of Material'

The amendments clarify the definition of material that information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

B. Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'

The amendments resolve a current inconsistency between IFRS 10 and IAS 28. The gain or loss resulting from a transaction that involves sales or contribution of assets between an investor and its associates or joint ventures is recognised either in full or partially depending on the nature of the assets sold or contributed:

(a) If sales or contributions of assets constitute a 'business' , the full gain or loss is recognized;

(b) If sales or contributions of assets do not constitute a 'business' , the partial gain or loss is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

These consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income /Available-for-sale financial assets measured at fair value.

(c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

C. In adopting IFRS 9 and IFRS 15 effective January 1, 2018, the Group has elected to apply modified retrospective approach whereby the cumulative impact of the adoption was recognised as retained earnings or other equity as of January 1, 2018 and the financial statements for the year ended December 31, 2017 were not restated. The financial statements for the year ended December 31, 2017 were prepared in compliance with International Accounting Standard 39 ('IAS 39'), International Accounting Standard 11 ('IAS 11'), International Accounting Standard 18 ('IAS 18') and related financial reporting interpretations. Please refer to Notes 12(4) and (5) for details of significant accounting policies and details of significant accounts.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

			Ownership (%)		
Name of Investor	Name of Subsidiary	Main business activities	December 31, 2018	December 31, 2017	Description
The Company	TTSC	Cargo loading and discharging	55.00	55.00	
The Company	Peony	Investments in transport-related business	100.00	100.00	
The Company	ETS	Terminal Services	94.43	100.00	(e)
The Company	EGH	Container shipping and agency services dealing with port formalities	79.00	79.00	
Peony	GMS	Container shipping	100.00	100.00	
Peony	Clove	Investments in container yards and port terminals	100.00	100.00	
Peony	EMU	Container shipping	51.00	51.00	

Name of Investor	Name of Subsidiary	Main business activities	Ownership (%) December 31, 2018	Ownership (%) December 31, 2017	Description
Peony	EHIC(M)	Manufacturing of dry steel containers and container parts	84.44	84.44	
Peony	Armand N.V.	Investments in container yards and port terminals	70.00	70.00	
Peony	KTIL	Loading, discharging, storage, repairs and cleaning of containers	20.00	20.00	
Peony	MBPI	Containers storage and inspections of containers at the customs house	95.03	95.03	
Peony	MBT	Inland transportation, repairs and cleaning of containers	17.39	17.39	
Peony	EGS	Agency services dealing with port formalities	-	51.00	(m)
Peony	EGK	Agency services dealing with port formalities	100.00	100.00	
Peony	EGT	Agency services dealing with port formalities	85.00	85.00	
Peony	EGI	Agency services dealing with port formalities	99.99	99.99	
Peony	EMA	Agency services dealing with port formalities	100.00	67.50	(a)
Peony	EIT	Agency services dealing with port formalities	55.00	55.00	
Peony	EES	Agency services dealing with port formalities	100.00	100.00	
Peony	ERU	Agency services dealing with port formalities	51.00	51.00	
Peony	EEU	Agency services dealing with port formalities	100.00	100.00	(c)(d)

Name of Investor	Name of Subsidiary	Main business activities	Ownership (%) December 31, 2018	Ownership (%) December 31, 2017	Description
Peony	EGD-WWX	Agency services dealing with port formalities	-	100.00	(c)
Peony	ESA	Agency services dealing with port formalities	55.00	55.00	
Peony	EGB	Real estate leasing	95.00	95.00	
Peony	EGM	Agency services dealing with port formalities	100.00	100.00	
Peony	EGH	Container shipping and agency services dealing with port formalities	1.00	1.00	
Peony	EGV	Agency services dealing with port formalities	100.00	49.00	(f)
EGH	Ever shine (Shanghai)	Management consultancy and self-owned property leasing	100.00	100.00	
EGH	Ever shine (Ningbo)	Management consultancy and self-owned property leasing	100.00	100.00	
EGH	EKH	Agency services dealing with port formalities	100.00	100.00	(g)
EGH	EPE	Agency services dealing with port formalities	60.00	-	(h)
EGH	ECO	Agency services dealing with port formalities	100.00	-	(i)
EGH	ECL	Agency services dealing with port formalities	60.00	-	(j)
EGH	EMX	Agency services dealing with port formalities	60.00	-	(k)
EGH	HMH	Agency services dealing with port formalities	-	-	(l)
EGH	Ever shine (Shenzhen)	Management consultancy and self-owned property leasing	100.00	-	(l)

Name of Investor	Name of Subsidiary	Main business activities	Ownership (%) December 31, 2018	Ownership (%) December 31, 2017	Description
EGH	Ever shine (Qingdao)	Management consultancy and self-owned property leasing	100.00	-	(l)
EGH	MAC	Agency services dealing with port formalities	49.00	-	(l)
EGH	KTIL	Loading, discharging, storage, repairs and cleaning of containers	20.00	-	(e)
ETS	Whitney	Investments and leases of operating machinery and equipment of port terminals	100.00	-	(e)
EMU	Island	Investments in operating machinery and equipment of port terminals	-	15.00	(e)
EMU	KTIL	Loading, discharging, storage, repairs and cleaning of containers	20.00	20.00	
EMU	EGU	Agency services dealing with port formalities	-	100.00	(b)
EMU	EGUD	Agency services dealing with port formalities	-	100.00	(b)
EEU	EGDL	Agency services dealing with port formalities	-	100.00	(d)
Clove	Island	Investments in operating machinery and equipment of port terminals	-	36.00	(e)
Clove	ETS	Terminal Services	5.57	-	(e)
Armand N.V.	Armand B.V.	Investments in container yards and port terminals	100.00	100.00	

Name of Investor	Name of Subsidiary	Main business activities	Ownership (%) December 31, 2018	Ownership (%) December 31, 2017	Description
Island	Whitney	Investments and leases of operating machinery and equipment of port terminals	-	100.00	(e)
Island	Hemlock	Investments and leases of operating machinery and equipment of port terminals	-	100.00	(e)
MBPI	MBT	Inland transportation, repairs and cleaning of containers	72.95	72.95	

(a) On December 21, 2018, the Board of Directors resolved to have the subsidiary Peony Investment acquire 32.5% of the shares of EMA from the original shareholders of the joint venture. The effective date of ownership transfer was December 28, 2018.

(b) On August 1, 2016, the Board of Directors has resolved that the subsidiary – Peony to sell 100% share ownership of EGUD to the indirect subsidiary – EMU. Since EMU obtained the wholly-owned ownership, the Board of Directors resolved a reorganization plan to transfer businesses from EGU and EGUD to EMU on August 1, 2016. The liquidation process of EGU and EGUD were completed by June 28, 2018 and May 27, 2018, respectively.

(c) The proposal of reorganisation of the subsidiary, Peony, has been approved by the Board of Directors on May 12, 2017 to transfer EGDW's business to the sub-subsidiary, EEU, beginning on August 1, 2017. The liquidation process of EGDW was completed by June 12, 2018.

(d) The proposal of reorganisation of the sub-subsidiary, EEU, has been resolved at the shareholders' meeting on May 18, 2017, to transfer its business to its subsidiary, EGDL, effective on August 1, 2017. The liquidation process of EGDL was completed by May 14, 2018.

(e) On December 20, 2017, shareholders of the subsidiary, ETS, during their meeting resolved to make an equity transaction. ETS acquired a 100% equity interest of Island from the joint ventures, Clove and EMU, of which the transaction made with Clove is through issuing new shares totaling 59 shares with par value of US$100 per share in exchange for a 36% equity interest of Island with Clove. On January 1, 2018, shareholders of ETS during their meeting resolved to merge its subsidiary, Island, and its second-tier subsidiaries, Hemlock and Whitney, when the equity transaction made with Clove and EMU was completed. Under the merger, ETS and Whitney are the surviving companies, and Island and Hemlock will be dissolved.

(f) On December 20, 2017, the Board of Directors resolved to have the subsidiary, Peony Investment, acquire 51% of the shares of EGV from the original shareholders of the joint venture. The effective date of ownership transfer was January 1, 2018.

(g) On September 13, 2017, the Board of Directors of the subsidiary, EGH, resolved to establish a subsidiary, EKH, in Cambodia. The capital of establishment is KHR 1,200,000 (approx. USD 300), and the subsidiary is primarily engaged in container shipping and agency services dealing with port formalities.

(h) On July 31, 2018, the Board of Directors of the subsidiary, EGH, resolved to establish a subsidiary, EPE, in Peru. The capital of establishment is PEN 1,500 (approx. USD462), and the subsidiary is primarily engaged in container shipping and agency services dealing with port formalities.

(i) On August 14, 2018, the Board of Directors of the subsidiary, EGH, resolved to establish a subsidiary, ECO, in Columbia. The capital of establishment is COP 80,000 (approx. USD27), and the subsidiary is primarily engaged in container shipping and agency services dealing with port formalities.

(j) On October 1, 2018, the Board of Directors of the subsidiary, EGH, resolved to establish a subsidiary, ECL, in Chile. The capital of establishment is CLP 350,000 (approx. USD531), and the subsidiary is primarily engaged in container shipping and agency services dealing with port formalities.

(k) On October 15, 2018, the Board of Directors of the subsidiary, EGH, resolved to establish a subsidiary, EMX, in Mexico. The capital of establishment is MXN 7,400 (approx. USD382), and the subsidiary is primarily engaged in container shipping and agency services dealing with port formalities.

(l) On August 13, 2018, shareholders of the subsidiary, EGH, during their meeting resolved to make an equity transaction. EGH acquired a 100% equity interest of HMH and its indirect investees, wholly-owned Ever shine (Shenzhen), wholly-owned Ever shine (Qingdao), 49% owned MAC and 20% owned KTIL from the joint ventures, Chestnut Estate B.V.. The transaction amount was US $105,808. The applicable transactions were approved by the Investment Commission of the Ministry of Economic Affairs. The acquisition date was December 14, 2018. On December 21, 2018, shareholders of EGH during their meeting resolved to merge its subsidiary, HMH. EGH will be the surviving companies and HMH will be dissolved after the merger. As of the date of issuance of the financial report, the merger procedure was still in process.

(m) The liquidation process of the sub-subsidiary, EGS was completed by December 19, 2018.

C. Subsidiary not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of December 31, 2018 and 2017, the non-controlling interest amounted to $4,123,606 and $3,290,236, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

		Non-controlling interest				
		December 31, 2018		December 31, 2017		
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Amount	Ownership (%)	Description
EMU	U.K.	$ 1,469,422	49%	$ 598,392	49%	
EGH	Hong Kong	1,903,321	20%	1,591,869	20%	

Summarised financial information of the subsidiaries:

Balance sheets

	EMU	
	December 31, 2018	December 31, 2017
Current assets	$ 9,362,266	$ 9,113,834
Non-current assets	37,184,025	38,436,657
Current liabilities	(17,239,612)	(20,121,083)
Non-current liabilities	(26,307,858)	(26,208,199)
Total net assets	$ 2,998,821	$ 1,221,209

	EGH	
	December 31, 2018	December 31, 2017
Current assets	$ 9,396,355	$ 3,119,694
Non-current assets	21,515,148	8,673,850
Current liabilities	(8,315,106)	(2,054,676)
Non-current liabilities	(13,383,103)	(1,779,522)
Total net assets	$ 9,213,294	$ 7,959,346

Statements of comprehensive income

	EMU	
	Year ended December 31, 2018	Year ended December 31, 2017
Revenue	$ 50,304,493	$ 54,151,814
Loss before income tax	($ 1,297,028)	($ 1,313,841)
Income tax expense	(23,795)	(15,818)
Loss for the period from continuing operations	(1,320,823)	(1,329,659)
Other comprehensive income (loss), net of tax	7,518	(13,202)
Total comprehensive loss for the period	($ 1,313,305)	($ 1,342,861)
Comprehensive loss attributable to non-controlling interest	($ 643,519)	($ 658,002)

	EGH	
	Year ended December 31, 2018	Year ended December 31, 2017
Revenue	$ 11,014,069	$ 3,883,278
Profit before income tax	$ 1,194,785	$ 977,953
Income tax expense	(215,462)	(114,967)
Profit for the period from continuing operations	979,323	862,986
Other comprehensive loss, net of tax	(2,263)	(3,310)
Total comprehensive income for the period	$ 977,060	$ 859,676
Comprehensive income attributable to non-controlling interest	$ 195,412	$ 12,402

Statements of cash flows

	EMU	
	Year ended December 31, 2018	Year ended December 31, 2017
Net cash (used in) provided by operating activities	($ 953,448)	$ 4,996,091
Net cash provided by (used in) investing activities	1,098,202	(246,896)
Net cash used in financing activities	(256,283)	(4,648,565)
Effect of exchange rates on cash and cash equivalents	58,194	(150,575)
Decrease in cash and cash equivalents	(53,335)	(49,945)
Cash and cash equivalents, beginning of period	1,840,693	1,890,638
Cash and cash equivalents, end of period	$ 1,787,358	$ 1,840,693

	EGH	
	Year ended December 31, 2018	Year ended December 31, 2017
Net cash provided by operating activities	$ 2,565,400	$ 1,944,965
Net cash (used in) provided by investing activities	(12,950,639)	80,984
Net cash provided by (used in) financing activities	12,471,803	(1,252,423)
Effect of exchange rates on cash and cash equivalents	75,867	(39,186)
Increase in cash and cash equivalents	2,162,431	734,340
Cash and cash equivalents, beginning of period	1,003,634	269,294
Cash and cash equivalents, end of period	$ 3,166,065	$ 1,003,634

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan Dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

(a) The operating results and financial position of all the group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognised in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Group retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.

(c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(d) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(5) <u>Classification of current and non-current items</u>

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) <u>Cash equivalents</u>

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits with original maturities of one year or less that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at fair value through other comprehensive income

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

(a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

(a) The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognised in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

(9) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Group's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

(10) Notes, accounts and other receivables

A. Notes and account receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services. Receivables arising from transactions other than the sale of goods or service are classified as other receivables.

B. The Group initially measures accounts and notes receivable at fair value and subsequently recognises the amortised interest income over the period of circulation using the effective interest method and the impairment loss. A gain or loss is recognised in profit or loss.

(11) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost including accounts receivable or contract assets that have a significant financing component at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognises a financial asset when one of the following conditions is met:

A. The contractual rights to receive cash flows from the financial asset expire.

B. The contractual rights to receive cash flows from the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows from the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(13) Operating leases (lessor)

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(14) Inventories

Inventories refer to fuel inventories and steel inventories. Fuel inventories are physically measured by the crew of each ship and reported back to the Head Office through telegraph for recording purposes at balance sheet date. Valuation of inventories is based on the exchange rate prevailing at balance sheet date.

The perpetual inventory system is adopted for steel inventory recognition. Steel inventories are stated at cost. The cost is determined using the weighted-average method. At the end of period, inventories are evaluated at the lower of cost or net realisable value, and the individual item approach is used in the comparison of cost and net realisable value. The calculation of net realisable value should be based on the estimated selling price in the normal course of business, net of estimated costs of completion and estimated selling expenses.

(15) Investments accounted for using equity method / associates

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.

B. The Group’s share of its associates’ post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group’s share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

C. When changes in an associate’s equity that are not recognised in profit or loss or other comprehensive income of the associate and such changes not affecting the Group’s ownership percentage of the associate, the Group recognises the Group’s share of change in equity of the associate in ‘capital surplus’ in proportion to its ownership.

D. Unrealised gains and loss on transactions between the Group and its associates are eliminated to the extent of the Group’s interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group’s ownership percentage of the associate but maintains significant influence on the associate, then ‘capital surplus’ and ‘investments accounted for using equity method’ shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group’s ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.

G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

H. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it still retains significant influence over this associate, then the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(16) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings	20 ~ 135 years
Loading and unloading equipment	5 ~ 20 years
Ships	18 ~ 25 years
Transportation equipment	5 ~ 10 years
Lease assets	2 ~ 90 years
Other equipment	2 ~ 15 years

(17) Leased assets/ operating leases (lessee)

A. Based on the terms of a lease contract, a lease is classified as a finance lease if the Group assumes substantially all the risks and rewards incidental to ownership of the leased asset.

(a) A finance lease is recognised as an asset and a liability at the lease's commencement at the lower of the fair value of the leased asset or the present value of the minimum lease payments.

(b) The minimum lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charges are allocated to each period over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(c) Property, plant and equipment held under finance leases are depreciated over their estimated useful lives. If there is no reasonable certainty that the Group will obtain ownership at the end of the lease, the asset shall be depreciated over the shorter of the lease term and its useful life.

B. Payments made under an operating lease (net of any incentives received from the lessor) are recognised in profit or loss on a straight-line basis over the lease term.

C. The accounting treatment of sale and leaseback transactions depends on the substance of the transaction. If sale and finance leaseback is in substance a financing transaction, the difference between the sales proceeds and the carrying value of the asset is deferred and amortised to the income statement over the lease term. If the sale price is below the fair value, the difference between sale price and carrying amount should be recognised immediately except that, if a loss arising is compensated by future rent at below market price, it should be deferred and amortised in proportion to the rent payments over the period for which the asset is expected to be used. If the sale price is above the fair value, the excess of proceeds over fair value should be deferred and amortised over the period for which the asset is expected to be used.

(18) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 20 ~ 60 years.

(19) <u>Intangible assets</u>

A. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 years.

B. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

C. Customer relationship

Customer relationship arises from the business combination is measured initially at their fair values at the acquisition date. Customer relationship has a finite useful life and are amortised on a straight-line basis over their estimated useful lives of 8.05 to 10 years.

(20) <u>Impairment of non-financial assets</u>

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(21) <u>Borrowings</u>

A. Borrowings comprise long-term and short-term bank borrowings and other long-term and short-term loans. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(22) <u>Accounts payable</u>

A. Accounts payable are liabilities for purchases of raw materials, goods or services.

B. The Group initially measures accounts payable at fair value and subsequently amortises the interest expense in profit or loss over the period of circulation using the effective interest method.

(23) Financial liabilities at fair value through profit or loss

A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges or financial liabilities at fair value through profit or loss. Financial liabilities that meet one of the following criteria are designated as at fair value through profit or loss at initial recognition:

(a) Hybrid (combined) contracts; or

(b) They eliminate or significantly reduce a measurement or recognition inconsistency; or

(c) They are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management policy.

B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(24) Bonds payable

Ordinary corporate bonds issued by the Group are initially recognised at fair value less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is presented as an addition to or deduction from bonds payable, which is amortised to profit or loss over the period of bond circulation using the effective interest method as an adjustment to ‘finance costs’.

(25) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(26) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(27) Hedge accounting

A. At the inception of the hedging relationship, there is formal designation and documentation of the hedging relationship and the Group’s risk management objective and strategy for undertaking the hedge. That documentation shall include identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements.

B. The Group designates the hedging relationship as follows:

Cash flow hedge:

A hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

C. Cash flow hedges

(a)The cash flow hedge reserve associated with the hedged item is adjusted to the lower of the following (in absolute amounts):

i. the cumulative gain or loss on the hedging instrument from inception of the hedge; and

ii. the cumulative change in fair value of the hedged item from inception of the hedge.

(b)The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income. The gain or loss on the hedging instrument relating to the ineffective portion is recognised in profit or loss.

(c)The amount that has been accumulated in the cash flow hedge reserve in accordance with (a) is accounted for as follows:

i. If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Group shall remove that amount from the cash flow hedge reserve and include it directly in the initial cost or other carrying amount of the asset or liability.

ii. For cash flow hedges other than those covered by item i. above, that amount shall be reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss.

iii. If that amount is a loss and the Group expects that all or a portion of that loss will not be recovered in one or more future periods, it shall immediately reclassify the amount that is not expected to be recovered into profit or loss as a reclassification adjustment.

(d) When the hedging instrument expires, or is sold, terminated, exercised or when the hedging relationship ceases to meet the qualifying criteria, if the forecast transaction is still expected to occur, the amount that has been accumulated in the cash flow hedge reserve shall remain in the cash flow hedge reserve until the forecast transaction occurs; if the forecast transaction is no longer expected to occur, the amount shall be immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment.

(28) <u>Employee benefits</u>

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.

ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Past service costs are recognised immediately in profit or loss.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognises expense as it can no longer withdraw an offer of termination benefits or it recognises relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(29) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(30) Dividends

Dividends are recorded in the Company’s financial statements in the period in which they are resolved by the Company’s shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(31) Revenue recognition

A. Sales of goods

Revenue is measured at the fair value of the consideration received or receivable taking into account of business tax, returns, rebates and discounts for the sale of goods to external customers in the ordinary course of the Group's activities. Revenue arising from the sales of goods is recognised when the Group has delivered the goods to the customer, the amount of sales revenue can be measured reliably and it is probable that the future economic benefits associated with the transaction will flow to the entity. The delivery of goods is completed when the significant risks and rewards of ownership have been transferred to the customer, the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the customer has accepted the goods based on the sales contract or there is objective evidence showing that all acceptance provisions have been satisfied.

B. Sales of services

Revenue from delivering services is recognised under the percentage-of-completion method when the outcome of services provided can be estimated reliably. The stage of completion of a service contract is measured by the percentage of the actual services performed as of the financial reporting date to the total services to be performed. If the outcome of a service contract cannot be estimated reliably, contract revenue should be recognised only to the extent that contract costs incurred are likely to be recoverable.

C. Rental revenue

The Group leases ships and shipping spaces under IAS 17, 'Leases'. Lease assets are classified as finance leases or operating leases based on the transferred proportion of the risks and rewards incidental to ownership of the leased asset, and recognised in revenue over the lease term.

(32) Business combinations

A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(33) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker is responsible for allocating resources and assessing performance of the operating segments.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1)Critical judgements in applying the Group's accounting policies

None.

(2)Critical accounting estimates and assumptions

A. Revenue recognition

Revenue from delivering services and related costs are recognised under the percentage-of-completion method when the outcome of services provided can be estimated reliably. The stage of completion of a service contract is measured by the percentage of the actual services performed as of the financial reporting date to the total services to be performed.

B. Impairment assessment of tangible and intangible assets (excluding goodwill)

The Group assesses impairment based on its subjective judgement and determines the separate cash flows of a specific group of assets, useful lives of assets and the future possible income and expenses arising from the assets depending on how assets are utilized and industrial characteristics. Any changes of economic circumstances or estimates due to the change of Group strategy might cause material impairment on assets in the future.

As of December 31, 2018, the Group recognised property, plant, equipment amounting to $117,219,185.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2018	December 31, 2017
Cash on hand and petty cash	$ 22,713	$ 20,739
Checking accounts and demand deposits	7,192,906	6,300,219
Time deposits	31,014,903	31,787,305
	$ 38,230,522	$ 38,108,263

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote. The Group's maximum exposure to credit risk at balance sheet date is the carrying amount of all cash and cash equivalents.

B. The Group has no cash and cash equivalents pledged to others.

(2) Financial assets at fair value through other comprehensive income

Items	December 31, 2018
Non-current items:	
Listed (TSE) stocks	$ 490,801
Unlisted stocks	211,476
	702,277
Valuation adjustment	948,095
	$ 1,650,372

A. The Group has elected to classify these investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $1,650,372 at December 31, 2018.

B. For the year ended December 31, 2018, for the consideration of operations, the Group sold shares of unlisted stocks and listed stocks with a fair value of $34,055 and $342,661, respectively, of which a cumulative disposal gain of $111 and $13,332, respectively, was recognised.

C. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Year ended December 31, 2018
Equity instruments at fair value through other comprehensive income	
Fair value change recognised in other comprehensive income	($ 316,044)
Income tax recognised in other comprehensive income	$ 6,210
Cumulative gains reclassified to retained earnings due to derecognition	$ 13,438
Dividend income recognised in profit or loss	
Held at end of period	$ 99,467

D. As at December 31, 2018, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was $1,650,372.

E. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(3).

F. Information on available-for-sale financial assets and financial assets at cost as of December 31, 2017 are provided in Note 12(4).

(3) Financial assets at amortised cost

Items	December 31, 2018
Non-current items:	
Financial bonds	$ 100,000

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Year ended December 31, 2018
Interest income	$ 2,200

B. As at December 31, 2018, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was $100,000.

C. The Group has no financial assets at amortised cost held by the Group pledged to others.

D. Information on held-to-maturity financial assets and investments in debt instruments without active market as of December 31, 2017 are provided in Note 12(4).

(4) Notes and accounts receivable

	December 31, 2018	December 31, 2017
Notes receivable	$ 154,299	$ 66,410
Less: Allowance for bad debts	(4)	-
	$ 154,295	$ 66,410

	December 31, 2018	December 31, 2017
Accounts receivable (including related parties)	$ 15,613,317	$ 13,865,953
Less: Allowance for bad debts	(96,468)	(96,283)
	$ 15,516,849	$ 13,769,670

	December 31, 2018	December 31, 2017
Overdue receivables (recorded as other non-current assets)	$ 202,654	$ 195,715
Less: Allowance for bad debts	(202,654)	(195,715)
	$ -	$ -

A. The ageing analysis of accounts receivable and notes receivable are as follows:

	December 31, 2018	December 31, 2017
	Accounts receivable	Accounts receivable
Not impaired	$ 12,352,224	$ 11,747,121
Up to 30 days	2,694,557	1,749,509
31 to 180 days	470,068	273,040
	$ 15,516,849	$ 13,769,670

	December 31, 2018	December 31, 2017
	Notes receivable	Notes receivable
Not impaired	$ 154,295	$ 66,410
Up to 30 days	-	-
31 to 180 days	-	-
	$ 154,295	$ 66,410

The above ageing analysis was based on past due date.

B. The Group has no notes and accounts receivable held by the Group pledged to others.

C. As at December 31, 2018 and 2017, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group’s notes receivable were $ 154,295 and $66,410, respectively; and the amount that best represents the Group’s accounts receivable were $ $15,516,849 and $ 13,769,670, respectively.

D. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(5) Inventories

	December 31, 2018		
	Cost	Allowance for valuation loss	Book value
Ship fuel	$ 4,715,175	$ -	$ 4,715,175
Steel and others	385,722	-	385,722
	$ 5,100,897	$ -	$ 5,100,897

	December 31, 2017		
	Cost	Allowance for valuation loss	Book value
Ship fuel	$ 3,306,081	$ -	$ 3,306,081
Steel and others	413,348	-	413,348
	$ 3,719,429	$ -	$ 3,719,429

(6) Other current assets

	December 31, 2018	December 31, 2017
Shipowner's accounts	$ 624,748	$ 1,207,851
Agency accounts	894,341	824,422
Temporary debits	1,333,964	308,312
Other financial assets	271,721	324,508
	$ 3,124,774	$ 2,665,093

A. Shipowner’s accounts:

(a) Temporary accounts, between the Group and other related parties – Evergreen International S.A., Gaining Enterprise S.A., Italia Marittima S.p.A., Evergreen Marine (Hong Kong) Ltd. and Evergreen Marine (Singapore) Pte. Ltd. incurred due to foreign port formalities and pier rental expenses.

(b) In response to market competition and enhancement of global transportation network to provide better logistics services to customers, the Group has joined Cosco Container Lines Co., Ltd., Kawasaki Kisen Kaisha, Ltd., Yang Ming (UK), Ltd. and Hanjin Shipping Co., Ltd. to form the CKYHE Alliance Transactions for trading of shipping spaces from March 1, 2014 to March 31, 2017.

(c) In response to market competition and enhancement of global transportation network to provide better logistics services to customers, the Group has joined Cosco Container Lines Co., Ltd., CMA CGM, Ltd., and the Orient Overseas Container Line, Ltd. to form the OCEAN Alliance on March 31, 2017 for trading of shipping space.

B. Agency accounts:

The Group entered into agency agreements with its related parties, whereby the related parties act as the Group’s agents to deal with domestic and foreign port formalities, such as arrival and departure of the Group's ships, cargo stevedoring and forwarding, freight collection, and payment of expenses incurred in domestic and foreign ports.

(7) Investments accounted for using equity method

A. Details of long-term equity investments accounted for using equity method are set forth below:

	December 31, 2018	December 31, 2017
Evergreen International Storage and Transport Corporation	$ 8,884,659	$ 8,452,437
EVA Airways Corporation	10,334,116	9,462,402
Taipei Port Container Terminal Corporation	1,500,384	1,428,295
Charng Yang Development Co., Ltd.	544,057	537,532
Luanta Investment (Netherlands) N.V.	1,933,828	1,865,804
Balsam Investment (Netherlands) N.V.	658,599	1,282,862
Colon Container Terminal S.A.	3,261,433	2,532,187
Others	1,148,092	1,221,507
	$ 28,265,168	$ 26,783,026

B. Associates

(a) The basic information of the associates that are material to the Group is as follows:

Company name	Principal place of business	Ownership(%)		Nature of relationship	Methods of measurement
		December 31, 2018	December 31, 2017		
Evergreen International Storage and Transport Corporation	TW	40.36%	39.74%	With a right over 20% to vote	Equity method
EVA Airways Corporation	TW	16.31%	16.31%	Have a right to vote in the Board of Directors	Equity method

(b) The summarised financial information of the associates that are material to the Group is as follows:

Balance sheet

	Evergreen International Storage and Transport Corporation	
	December 31, 2018	December 31, 2017
Current assets	$ 6,066,455	$ 5,429,946
Non-current assets	27,152,629	27,662,565
Current liabilities	(2,418,658)	(2,369,781)
Non-current liabilities	(8,269,749)	(9,031,865)
Total net assets	$ 22,530,677	$ 21,690,865
Share in associate's net assets	$ 8,982,546	$ 8,558,554
Unrealized income with affiliated companies	(97,887)	(106,117)
Carrying amount of the associate	$ 8,884,659	$ 8,452,437

	EVA Airways Corporation	
	December 31, 2018	December 31, 2017
Current assets	$ 75,996,433	$ 69,002,340
Non-current assets	165,197,470	159,204,888
Current liabilities	(60,922,876)	(60,428,208)
Non-current liabilities	(110,151,292)	(103,569,512)
Total net assets	$ 70,119,735	$ 64,209,508
Share in associate's net assets	$ 10,334,116	$ 9,462,402

Statement of comprehensive income

	Evergreen International Storage and Transport Corporation	
	Year ended December 31, 2018	Year ended December 31, 2017
Revenue	$ 7,742,438	$ 7,554,009
Profit for the period	$ 870,248	$ 884,258
Other comprehensive income (loss), net of tax	351,587	(647,260)
Total comprehensive income	$ 1,221,835	$ 236,998
Dividends received from associates	$ 148,422	$ 148,422

	EVA Airways Corporation	
	Year ended December 31, 2018	Year ended December 31, 2017
Revenue	$ 179,907,332	$ 163,561,731
Profit for the period	$ 7,214,513	$ 6,310,934
Other comprehensive loss, net of tax	(543,495)	(769,683)
Total comprehensive income	$ 6,671,018	$ 5,541,251
Dividends received from associates	$ 136,157	$ 132,191

(c) The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarised below:
As of December 31, 2018 and 2017, the carrying amount of the Group's individually immaterial associates amounted to $ 9,046,393 and $8,868,187, respectively.

	Year ended December 31, 2018	Year ended December 31, 2017
(Loss) gain for the period	($ 992,621)	$ 2,410,843
Other comprehensive loss, net of tax	(3,309)	(4,318)
Total comprehensive (loss) income	($ 995,930)	$ 2,406,525

C. Above stated certain investments accounted for using equity method are based on the financial statements of associates which were audited by the independent accountants.

D. Above stated certain investments accounted for using equity method are based on the financial statements of associates which were reviewed by the associates' independent accountants.

E. The fair value of the Group's associates which have quoted market price was as follows:

	December 31, 2018	December 31, 2017
Evergreen International Storage and Transport Corporation	$ 5,814,345	$ 6,000,494
EVA Airways Corporation	11,294,242	10,790,460
	$ 17,108,587	$ 16,790,954

F. On December 21, 2017, the Board of Directors of the subsidiary, Evergreen Marine (Hong Kong) Ltd., during their meeting resolved to acquire a 9% equity interest of Colon Container Terminal S.A. from its original shareholder, Marubeni Corporation, in the amount of USD 15,600, and gain from bargain purchase amounted to USD43,000 thousand was recognised. The shareholding ratio will be increased to 49% when the transaction is completed.

G. On October 8, 2018, the Board of Directors during their meeting resolved to acquire 6,629 thousand shares of Evergreen International Storage and Transport Corporation's shares from the stock exchange market. The transaction price was $86,894, and the ownership percentage was increased to 40.36% after the purchase.

(8) Property, plant and equipment, net

	Land	Buildings	Machinery equipment	Loading and unloading equipment	Computer and communication equipment	Transportation equipment	Ships	Office equipment	Lease assets	Leasehold improvements	Others	Total
At January 1, 2018												
Cost	$ 829,745	$7,194,260	$611,447	$ 9,600,294	$ 1,120,713	$ 16,325,955	$107,532,947	$ 533,874	$19,524,906	$ 574,438	$ 85,891	$ 163,934,470
Accumulated depreciation	-	(1,111,749)	(495,678)	(5,878,445)	(416,793)	(7,596,520)	(43,793,777)	(423,613)	(6,168,818)	(358,270)	(3,353)	(66,247,016)
	$ 829,745	$6,082,511	$115,769	$ 3,721,849	$ 703,920	$ 8,729,435	$ 63,739,170	$ 110,261	$13,356,088	$ 216,168	$ 82,538	$ 97,687,454
2018												
Opening net book amount	$ 829,745	$6,082,511	$115,769	$ 3,721,849	$ 703,920	$ 8,729,435	$ 63,739,170	$ 110,261	$13,356,088	$ 216,168	$ 82,538	$ 97,687,454
Additions	-	40,149	23,114	65,091	90,695	8,367,446	297,302	34,023	1,035,091	20,370	68,046	10,041,327
Disposals	-	(96,090)	-	(462)	(1,009)	(549,776)	-	(157)	(4,594)	-	-	(652,088)
Reclassifications	-	7,275	-	172,500	13,706	1,989	16,116,276	(6,924)	(121,803)	-	(14,672)	16,168,347
Depreciation	-	(145,356)	(10,827)	(519,453)	(209,499)	(1,644,186)	(4,788,870)	(40,922)	(1,185,711)	(122,078)	(3,658)	(8,670,560)
Acquired from business combinations	-	140,031	-	-	9,378	113	-	24,383	158	10,539	26,620	211,222
Net exchange differences	(7,669)	149,834	1,084	57,028	20,915	291,603	1,460,396	(355)	459,947	125	575	2,433,483
Closing net book amount	$ 822,076	$6,178,354	$129,140	$ 3,496,553	$ 628,106	$ 15,196,624	$ 76,824,274	$ 120,309	$13,539,176	$ 125,124	$159,449	$ 117,219,185
At December 31, 2018												
Cost	$ 822,076	$7,436,436	$640,766	$ 10,823,844	$ 1,245,653	$ 22,567,926	$126,866,151	$ 543,931	$20,242,368	$ 605,782	$166,460	$ 191,961,393
Accumulated depreciation	-	(1,258,082)	(511,626)	(7,327,291)	(617,547)	(7,371,302)	(50,041,877)	(423,622)	(6,703,192)	(480,658)	(7,011)	(74,742,208)
	$ 822,076	$6,178,354	$129,140	$ 3,496,553	$ 628,106	$ 15,196,624	$ 76,824,274	$ 120,309	$13,539,176	$ 125,124	$159,449	$ 117,219,185

	Land	Buildings	Machinery equipment	Loading and unloading equipment	Computer and communication equipment	Transportation equipment	Ships	Office equipment	Lease assets	Leasehold improvements	Others	Total
At January 1, 2017												
Cost	$ 845,610	$1,632,334	$600,442	$ 9,269,204	$ 1,064,943	$ 17,025,213	$110,782,722	$ 511,701	$21,192,069	$ 366,787	$138,493	$ 163,429,518
Accumulated depreciation	-	(1,004,644)	(479,520)	(5,612,263)	(248,689)	(7,412,028)	(42,981,997)	(411,375)	(5,565,381)	(242,660)	(531)	(63,959,088)
	$ 845,610	$ 627,690	$120,922	$ 3,656,941	$ 816,254	$ 9,613,185	$ 67,800,725	$ 100,326	$15,626,688	$ 124,127	$137,962	$ 99,470,430
2017												
Opening net book amount	$ 845,610	$ 627,690	$120,922	$ 3,656,941	$ 816,254	$ 9,613,185	$ 67,800,725	$ 100,326	$15,626,688	$ 124,127	$137,962	$ 99,470,430
Additions	-	1,891	3,169	202,894	58,911	985,566	207,088	21,224	70,957	15,488	35,235	1,602,423
Disposals	-	(1,067)	(285)	(3,875)	(617)	(25,375)	(3,451)	(3,721)	(6,337)	(6,155)	-	(50,883)
Reclassifications	-	7,130	-	482,220	76,298	-	3,660,780	(4,012)	(81,527)	204,088	(81,922)	4,263,055
Depreciation	-	(40,958)	(10,041)	(464,240)	(192,670)	(1,328,043)	(4,406,998)	(33,435)	(1,063,223)	(120,753)	(2,822)	(7,663,183)
Acquired from business combinations	-	5,615,200	173	-	2,265	2,970	116,948	27,237	-	-	-	5,764,793
Net exchange differences	(15,865)	(127,375)	1,831	(152,091)	(56,521)	(518,868)	(3,635,922)	2,642	(1,190,470)	(627)	(5,915)	(5,699,181)
Closing net book amount	$ 829,745	$6,082,511	$115,769	$ 3,721,849	$ 703,920	$ 8,729,435	$ 63,739,170	$ 110,261	$13,356,088	$ 216,168	$ 82,538	$ 97,687,454
At December 31, 2017												
Cost	$ 829,745	$7,194,260	$611,447	$ 9,600,294	$ 1,120,713	$ 16,325,955	$107,532,947	$ 533,874	$19,524,906	$ 574,438	$ 85,891	$ 163,934,470
Accumulated depreciation	-	(1,111,749)	(495,678)	(5,878,445)	(416,793)	(7,596,520)	(43,793,777)	(423,613)	(6,168,818)	(358,270)	(3,353)	(66,247,016)
	$ 829,745	$6,082,511	$115,769	$ 3,721,849	$ 703,920	$ 8,729,435	$ 63,739,170	$ 110,261	$13,356,088	$ 216,168	$ 82,538	$ 97,687,454

A. The Group has issued a negative pledge to granting banks for drawing borrowings within the credit line to purchase the above transportation equipment.

B. Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(9) Investment property, net

	Land	Buildings	Total
At January 1, 2018			
Cost	$ 1,414,757	$ 4,066,438	$ 5,481,195
Accumulated depreciation	-	(511,923)	(511,923)
	$ 1,414,757	$ 3,554,515	$ 4,969,272
2018			
Opening net book amount	$ 1,414,757	$ 3,554,515	$ 4,969,272
Reclassifications	270	-	270
Depreciation	-	(132,980)	(132,980)
Acquired from business combinations	-	962,109	962,109
Net exchange differences	27	36,376	36,403
Closing net book amount	$ 1,415,054	$ 4,420,020	$ 5,835,074
At December 31, 2018			
Cost	$ 1,415,054	$ 5,048,676	$ 6,463,730
Accumulated depreciation	-	(628,656)	(628,656)
	$ 1,415,054	$ 4,420,020	$ 5,835,074
At January 1, 2017			
Cost	$ 1,414,631	$ 1,000,649	$ 2,415,280
Accumulated depreciation	-	(476,506)	(476,506)
	$ 1,414,631	$ 524,143	$ 1,938,774
2017			
Opening net book amount	$ 1,414,631	$ 524,143	$ 1,938,774
Reclassifications	174	-	174
Depreciation	-	(28,516)	(28,516)
Acquired from business combinations	-	3,119,127	3,119,127
Net exchange differences	(48)	(60,239)	(60,287)
Closing net book amount	$ 1,414,757	$ 3,554,515	$ 4,969,272
At December 31, 2017			
Cost	$ 1,414,757	$ 4,066,438	$ 5,481,195
Accumulated depreciation	-	(511,923)	(511,923)
	$ 1,414,757	$ 3,554,515	$ 4,969,272

A. Rental income from the investment property and direct operating expenses arising from the investment property are shown below:

	Year ended December 31, 2018	Year ended December 31, 2017
Rental revenue from the lease of the investment property	$ 273,868	$ 125,880
Direct operating expenses arising from the investment property that generated rental income in the period	$ 134,783	$ 25,294
Direct operating expenses arising from the investment property that did not generate rental income in the period	$ 734	$ 1,017

B. The fair value of the investment property held by the Group as at December 31, 2018 and 2017 was $7,801,498 and $6,743,253, respectively. The fair value measurements were based on the market prices of recently sold properties in the immediate vicinity of a certain property.

C. Information about the investment property that were pledged to others as collaterals is provided in Note 8.

(10) Other non-current assets

	December 31, 2018	December 31, 2017
Prepayments for equipment	$ 4,619,738	$ 6,080,908
Refundable deposits	226,760	197,413
Others	94,646	160,044
	$ 4,941,144	$ 6,438,365

Movement analysis of prepayments for equipment are as follows:

	Year ended December 31, 2018	Year ended December 31, 2017
At January 1	$ 6,080,908	$ 4,898,843
Additions	14,606,580	5,615,770
Reclassification to property, plant and equipment	(16,168,617)	(4,263,229)
Net exchange differences	100,867	(170,476)
At December 31	$ 4,619,738	$ 6,080,908

Amount of borrowing costs capitalised as part of prepayment for equipment and the range of the interest rates for such capitalisation are as follows:

	Year ended December 31, 2018	Year ended December 31, 2017
Amount capitalised	$ 155,226	$ 107,084
Interest rate	0.86%~4.12%	1.31%~3.06%

(11) Other current liabilities

	December 31, 2018	December 31, 2017
Receipt in advance	$ 15,127	$ 12,367
Long-term liabilities - current portion	16,350,126	16,117,966
Shipowner's accounts	1,804,031	2,322,289
Agency accounts	2,385,780	4,838,099
Long-term leases payable - current	1,941,251	1,349,699
Others	119,663	75,249
	$ 22,615,978	$ 24,715,669

(12) Corporate bonds payable

	December 31, 2018	December 31, 2017
Domestic secured corporate bonds	$ 10,000,000	$ 8,000,000
Less: Current portion or exercise of put options	-	-
	$ 10,000,000	$ 8,000,000

A. On April 25, 2017, the Company issued its thirteenth domestic secured corporate bonds (referred herein as the “Thirteenth Bonds”), totaling $8,000,000. The Thirteenth Bonds are categorized into Bond A, B, C, D, E, F and G, depending on the guarantee institution. Bond A totals $2,000,000, and the rest total $6,000,000, with each par value of $1,000,000. The major terms of the issuance are set forth below:

(a) Period: 5 years (April 25, 2017 to April 25, 2022)

(b) Coupon rate: 1.05% fixed per annum

(c) Principal repayment and interest payment

Repayments for the Thirteenth Bonds are paid annually on coupon rate, starting a year from the issuing date. For each category of the bonds mentioned above, half the principal must be paid at the end of the fourth year, and another half at the maturity date.

(d) Collaterals

The Thirteenth Bonds are secured. Bond A is guaranteed by Hua Nan Bank, Bond B is guaranteed by First Bank, Bond C is guaranteed by Mega International Commercial Bank, Bond D is guaranteed by Land Bank of Taiwan, Bond E is guaranteed by Chang Hwa Bank, Bond F is guaranteed by Taiwan Cooperative Bank, and Bond G is guaranteed by Bank Sinopac.

B. On June 27, 2018, the Company issued its fourteenth domestic secured corporate bonds (referred herein as the "Fourteenth Bonds"), totaling $2,000,000 at face value. The major terms of the issuance are set forth below:

(a) Period: 5 years (June 27, 2018 to June 27, 2023)

(b) Coupon rate: 0.86% fixed per annum

(c) Principal repayment and interest payment

Repayments for the Fourteenth Bonds are paid annually at coupon rate, starting a year from the issuing date. The principal of the Fourteenth Bonds shall be repaid in lump sum at maturity.

(d) Collaterals

The Fourteenth Bonds are secured and are guaranteed by First Commercial Bank.

(13) Long-term loans

	December 31, 2018	December 31, 2017
Secured bank loans	$ 63,430,488	$ 55,586,429
Unsecured bank loans	35,729,010	25,915,897
Add : Unrealised foreign exchange (gains) losses	223,179	10,339
Less: Hosting fee credit	(22,176)	(25,034)
	99,360,501	81,487,631
Less: Current portion (recorded as other current liabilities)	(16,350,126)	(16,117,966)
	$ 83,010,375	$ 65,369,665
Borrowing period	2019.01~2028.12	2018.02~2027.06
Interest rate	1.12%~5.15%	1.18%~5.15%

Please refer to Note 8 for details of the collaterals pledged for the above long-term loans.

(14) Other non-current liabilities

	December 31, 2018	December 31, 2017
Long-term leases payable - non-current	$ 9,698,447	$ 10,381,197
Accrued pension liabilities	2,935,589	3,053,342
Guarantee deposits received	347,115	37,608
Unrealised gain on sale and leaseback	20,041	39,874
	$ 13,001,192	$ 13,512,021

(15) Finance lease liabilities

The Group leases in loading and unloading equipment, ships and transportation equipment under finance lease, based on the terms of the lease contracts. Future minimum lease payments and their present values as at December 31, 2018 and 2017 are as follows:

	December 31, 2018		
	Total finance lease liabilities	Future finance charges	Present value of finance lease liabilities
Current			
Not later than one year	$ 2,325,368	($ 384,117)	$ 1,941,251
Non-current			
Later than one year but not later than five years	10,489,983	(791,536)	9,698,447
	$ 12,815,351	($ 1,175,653)	$ 11,639,698

	December 31, 2017		
	Total finance lease liabilities	Future finance charges	Present value of finance lease liabilities
Current			
Not later than one year	$ 1,761,272	($ 411,573)	$ 1,349,699
Non-current			
Later than one year but not later than five years	11,124,634	(1,092,641)	10,031,993
Over five years	356,716	(7,512)	349,204
	11,481,350	(1,100,153)	10,381,197
	$ 13,242,622	($ 1,511,726)	$ 11,730,896

(16) Pension

A.(a) The Company and its domestic subsidiary-TTSC have a defined benefit pension plan in accordance with the Labor Standards Act (“the Act”), covering all regular employees’ service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its subsidiary-TTSC contribute monthly an amount equal to 15% of the employees’ monthly salaries and wages to the retirement fund deposited with the Trust Department of Bank of Taiwan under the name of the Labor Pension Fund Supervisory Committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected to be qualified for retirement next year, the Company will make contributions to cover the deficit by next March.

(b) The employees with R.O.C. nationality of the Group's subsidiaries, Evergreen Marine (Hong Kong) Ltd., Greencompass Marine S. A. and Evergreen Marine (UK) Limited, adopted the Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement.

(c) The amounts recognised in the balance sheet are as follows:

	December 31, 2018	December 31, 2017
Present value of defined benefit obligations	($ 4,240,280)	($ 4,236,061)
Fair value of plan assets	1,304,691	1,182,719
Net defined benefit liability	($ 2,935,589)	($ 3,053,342)

(d) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Year ended December 31, 2018			
Balance at January 1	($ 4,236,061)	$ 1,182,719	($ 3,053,342)
Current service cost	(157,857)	-	(157,857)
Interest (expense) income	(56,362)	19,780	(36,582)
Past service cost	121	-	121
Curtailment (Settlement)	344	(8,470)	(8,126)
	(4,449,815)	1,194,029	(3,255,786)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	24,053	24,053
Change in demographic assumptions	(9,184)	-	(9,184)
Change in financial assumptions	(41,007)	-	(41,007)
Experience adjustments	(6,090)	-	(6,090)
	(56,281)	24,053	(32,228)
Pension fund contribution	10,349	246,597	256,946
Paid pension	247,051	(152,800)	94,251
Exchange difference	8,416	(7,188)	1,228
Balance at December 31	($ 4,240,280)	$ 1,304,691	($ 3,053,342)

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Year ended December 31, 2017			
Balance at January 1	($ 4,165,132)	$ 1,197,086	($ 2,968,046)
Current service cost	(159,331)	-	(159,331)
Interest (expense) income	(59,773)	11,664	(48,109)
Past service cost	1,415	-	1,415
Settlement profit or loss	668	-	668
	(4,382,153)	1,208,750	(3,173,403)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	(40,092)	(40,092)
Change in demographic assumptions	(6,478)	-	(6,478)
Change in financial assumptions	(34,108)	-	(34,108)
Experience adjustments	(68,326)	-	(68,326)
	(108,912)	(40,092)	(149,004)
Pension fund contribution	22,718	188,078	210,796
Paid pension	302,970	(201,422)	101,548
Exchange difference	(33,781)	27,405	(6,376)
Effect of business combination	(36,903)	-	(36,903)
Balance at December 31	($ 4,236,061)	$ 1,182,719	($ 3,053,342)

(e) The Bank of Taiwan was commissioned to manage the Fund of the Company's and its domestic subsidiaries-TTSC's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from twoyear time deposits with the interest rates offered by local banks. If the earning is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Group has no right to participate in managing and operating that fund and hence the Group is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2018 and 2017 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(f) The principal actuarial assumptions used were as follows:

	Year ended December 31, 2018	Year ended December 31, 2017
Discount rate	0%~8%	0%~7.3%
Future salary increases	0%~10%	0.5%~11%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.015%~1.00%	Decrease 0.015%~1.00%	Increase 0.25%~1.00%	Decrease 0.25%~1.00%
December 31, 2018				
Effect on present value of defined benefit obligation	(147,753)	157,779	104,371	(94,424)

	Discount rate		Future salary increases	
	Increase 0.025%~1.00%	Decrease 0.025%~1.00%	Increase 0.25%~1.00%	Decrease 0.25%~1.00%
December 31, 2017				
Effect on present value of defined benefit obligation	(150,553)	161,436	108,296	(98,285)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

(g) Expected contributions to the defined benefit pension plans of the Company and its subsidiary-TTSC for the year ending December 31, 2018 amounts to $121,399.

(h) As of December 31, 2018, the weighted average duration of the retirement plan is 10 ~25 years.

B. (a) Effective July 1, 2005, the Company and its domestic subsidiary-TTSC have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the“Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiary-TTSC contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The pension costs under defined contribution pension plans of the Group for the years ended December 31, 2018 and 2017 were $241,026 and $186,442, respectively.

(17) Capital stock

A. As of December 31, 2018, the Company's authorized capital was $50,000,000, and the paid-in capital was $ 45,129,738, consisting of 4,512,974 thousand shares of common stocks with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

B. On August 11, 2017, the Board of Directors of the Company resolved to increase capital by $5,000,000 by issuing 500,000 thousand shares at a par value of NT$10. Of which 50,000 thousand shares are reserved for employee stock purchase plan. The proposal of capital increase has been reported and become effective on December 5, 2017. The total amount of shares was $7,711,222. All proceeds from share issuance was completed on December 27, 2017.

C. The stockholders at their annual stockholders meeting on June 21, 2018, resolved to issue 200,618 thousand shares through capitalization of unappropriated retained earnings of $2,006,178. The proposal of the capitalisation of earnings was filed online with the Securities and Futures Bureau of the Financial Supervisory Commission and went into effect on July 31, 2018. The Company had filed registration of the capital increase through capitalisation of earnings with the Ministry of Economic Affairs on September 18, 2018.

D. On August 13, 2018, the Board of Directors of the Company resolved to increase capital by $3,000,000 by issuing 300,000 thousand shares at a par value of NT$10. Of which 30,000 thousand shares are reserved for employee stock purchase plan. The proposal of capital increase has been reported and become effective on November 28, 2017. The total amount of shares was $3,226,890. All proceeds from share issuance was completed on December 21, 2018.

(18) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	2018				
	Share premium	Employe stock options exercised	Adjustments to share of changes in equity of associates and joint ventures	Donated assets	Others
At January 1, 2018	$ 8,606,393	$ 76,280	$ 2,148,243	$ 446	$ 6,713
Issuance of common stock for cash	226,890	17,610	-	-	-
Recognition of change in equity of associates in proportion to the Company's ownership	-	-	(23,430)	-	-
At December 31, 2018	$ 8,833,283	$ 93,890	$ 2,124,813	$ 446	$ 6,713

	2017				
	Share premium	Employe stock options exercised	Adjustments to share of changes in equity of associates and joint ventures	Donated assets	Others
At January 1, 2017	$ 5,895,171	$ -	$ 2,086,684	$ 446	$ 6,713
Issuance of common stock for cash	2,711,222	76,280	-	-	-
Recognition of change in equity of associates in proportion to the Company's ownership	-	-	61,559	-	-
At December 31, 2017	$ 8,606,393	$ 76,280	$ 2,148,243	$ 446	$ 6,713

(19) Retained earnings

	2018	2017
At January 1	$ 6,769,575	($ 4,248,211)
Retrospective application	276,681	-
Balance at 1 January after adjustments	7,046,256	(4,248,211)
Profit for the year	293,919	7,005,171
Legal reserve used to cover accumulated deficits	-	4,248,211
Distribution of 2017 earnings	(3,509,166)	-
Remeasurement on post employment benefit obligations, net of tax	(71,341)	(235,596)
Adjustments to share of changes in equity of associates and joint ventures	3,537	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	13,438	-
At December 31	$ 3,776,643	$ 6,769,575

A. According to the Company's Articles of Incorporation, if there is any profit for a fiscal year, the Company shall first make provision for all taxes and cover prior years' losses and then appropriate 10% of the residual amount as legal reserve. Dividends shall be proposed by the Board of Directors and resolved by the stockholders.

B. Dividend policy

In order to facilitate future expansion plans, dividends to stockholders are distributed mutually in the form of both cash and stocks with the basic principle that the ratio of cash dividends to total stock dividends shall not be lower than 10%.

C. Legal reserve

Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

E. (a) For the year ended December 31, 2016, the Company incurred accumulated deficit. On June 22, 2017, the Board of Directors proposed to cover the accumulated deficit totaling $4,248,211 with the legal reserve.

(b) The appropriation of earnings of year 2017 as resolved by the Board of Directors on June 21, 2018 is as follows:

	Year ended December 31, 2017	
	Amount	Dividend per share (in dollars)
Accrual of legal reserve	$ 700,517	
Appropriation of cash dividends to shareholders	$ 802,471	$ 0.2
Appropriation of stock dividends to shareholders	$ 2,006,178	$ 0.5

F. The appropriation of earnings of year 2018 as resolved by the Board of Directors on March 22, 2019 is as follows:

	Year ended December 31, 2018	
	Amount	Dividend per share (in dollars)
Accrual of legal reserve	$ 29,392	
Appropriation of cash dividends to shareholders	$ -	$ -
Appropriation of stock dividends to shareholders	$ -	$ -

As of March 22, 2019, the above-mentioned 2018 earnings appropriation had not been resolved by the stockholders.

G. For information relating to employees' and directors' remuneration, please refer to Note 6(27).

(20) Other equity items

	Unrealised gains (losses) on valuation	Hedging reserve	Currency translation	Total
At January 1, 2018	$ 1,833,339	($ 15,912)	($ 1,135,114)	$ 682,313
Effects of retrospective application	(279,677)	-	-	(279,677)
Balance at January 1 after retrospective adjustments	$ 1,553,662	($ 15,912)	($ 1,135,114)	$ 402,636
Revaluation – gross	(316,044)	-	-	(316,044)
Revaluation – tax	6,210	-	-	6,210
Revaluation – associates	8,463	-	-	8,463
Revaluation transferred to retained earnings – gross	(13,438)	-	-	(13,438)
Revaluation transferred to retained earnings – associates	(4,628)	-	-	(4,628)
Cash flow hedges:				
– Fair value loss in the period				
– Associates	-	(42,737)	-	(42,737)
Currency translation differences:				
– Group	-	-	1,004,409	1,004,409
– Group – tax	-	-	746	746
– Associates	-	-	147,539	147,539
At December 31, 2018	$ 1,234,225	($ 58,649)	$ 17,580	$ 1,193,156

	Unrealised gains (losses) on valuation	Hedging reserve	Currency translation	Total
At January 1, 2017	$ 1,703,161	($ 67,895)	$ 1,254,622	$ 2,889,888
Revaluation – gross	103,585	-	-	103,585
Revaluation – tax	(8,110)	-	-	(8,110)
Revaluation – associates	34,703	-	-	34,703
Cash flow hedges:				
– Fair value gain in the period				
– Associates	-	51,983	-	51,983
Currency translation differences:				
– Group	-	-	(2,046,070)	(2,046,070)
– Group – tax	-	-	2,296	2,296
– Associates	-	-	(345,962)	(345,962)
At December 31, 2017	$ 1,833,339	($ 15,912)	($ 1,135,114)	$ 682,313

(21) Operating revenue

		Year ended December 31, 2018
Revenue from contracts with customers	$	167,647,073
Other - ship rental and slottage income		1,589,580
	$	169,236,653

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of services over time and at a point in time in the following major businesses:

Year ended December 31, 2018	Ship-owners	Agent	Terminal	Other	Total
Total segment revenue	$182,903,835	$ 2,894,849	$ 7,150,737	$ 506,701	$193,456,122
Inter-segment revenue	(25,809,049)	-	-	-	(25,809,049)
Revenue from external customer contracts	$157,094,786	$ 2,894,849	$ 7,150,737	$ 506,701	$167,647,073

B. Contract assets and liabilities

The Group has recognised the following revenue-related contract assets and liabilities:

		December 31, 2018
Contract assets:		
Contract assets relating to marine freight income	$	2,244,065
Contract liabilities:		
Contract liabilities – unearned marine freight income	($	1,774,392)

Revenue recognised that was included in the contract liability balance at the beginning of the period

		Year ended December 31, 2018
Marine freight income	$	2,523,101

C. Related disclosures for 2017 operating revenue are provided in Note 12(5) B.

(22) Other income and expenses, net

		Year ended December 31, 2018		Year ended December 31, 2017
Gains on disposal of property, plant and equipment	$	1,510,330	$	501,784

(23) Other income

	Year ended December 31, 2018	Year ended December 31, 2017
Interest income：		
Interest income from bank deposits	$ 561,404	$ 434,615
Interest income from financial assets measured at amortised cost	2,200	-
Interest income from financial assets other than financial assets at fair value through profit or loss	-	2,339
Rent income	284,183	127,807
Dividend income	109,996	117,436
Gain recognised in bargain purchase transaction	138,571	5,983
Other income, others	376,810	266,126
	$ 1,473,164	$ 954,306

(24) Other gains and losses

	Year ended December 31, 2018	Year ended December 31, 2017
(Losses) gains on disposal of investments	($ 122,834)	$ 612,704
Net currency exchange gains	308,013	51,516
Depreciation on investment property	(132,980)	(28,516)
Other non-operating expenses	(130,099)	(62,810)
	($ 77,900)	$ 572,894

(25) Finance costs

	Year ended December 31, 2018	Year ended December 31, 2017
Interest expense:		
Bank loans	$ 1,942,785	$ 1,417,937
Corporate bonds	92,859	69,863
Other	6	-
	2,035,650	1,487,800
Less: Capitalisation of qualifying assets	(155,226)	(107,084)
Finance costs	$ 1,880,424	$ 1,380,716

(26) Expenses by nature

	Year ended December 31, 2018	Year ended December 31, 2017
Employee benefit expense	$ 7,823,668	$ 6,932,955
Depreciation charges on property, plant and equipment	8,670,560	7,663,183
Amortisation charges on intangible assets	69,348	38,375
Other operating costs and expenses	153,262,568	131,617,656
	$ 169,826,144	$ 146,252,169

(27) Employee benefit expense

	Year ended December 31, 2018	Year ended December 31, 2017
Wages and salaries	$ 6,452,284	$ 5,770,241
Labor and health insurance fees	534,619	440,465
Pension costs	443,470	391,799
Other personnel expenses	393,295	330,450
	$ 7,823,668	$ 6,932,955

A. According to the Articles of Incorporation of the Company, when distributing earnings, the Company shall distribute bonus to the employees that account for no less than 0.5% and pay remuneration to the directors and supervisors that account for no more than 2% of the total distributed amount.

B. (a) For the year ended December 31, 2018, employees' compensation was accrued at $2,560, while directors' remunerations were accrued at $0. The aforementioned amount was recognised in salary expenses.

(b) The employees' compensation and directors' remuneration were estimated and accrued based on 0.5% and 0% of distributable profit of current year for the year ended December 31, 2018.

(c) For the year ended December 31, 2017, employees' compensation was accrued at $36,322, while directors' and supervisors' remunerations were accrued at $10,207. The aforementioned amounts were recognised in salary expenses.

Employees' compensation and directors' and supervisors' remuneration of 2017 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2017 financial statements.

Information about the appropriation of employees', directors' and supervisors' remuneration by the Company as proposed by the Board of Directors and resolved by the stockholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(28) Income tax

A. Income tax expense

(a)Components of income tax expense:

	Year ended December 31, 2018	Year ended December 31, 2017
Current tax:		
Current tax on profits for the period	$ 907,890	$ 629,009
Tax on undistributed surplus earnings	283,973	-
Alternative MinimumTax	-	31,399
Prior year income tax overestimation	(8,780)	(32,894)
Total current tax	1,183,083	627,514
Deferred tax:		
Origination and reversal of temporary differences	(108,897)	155,464
Impact of change in tax rate	42,717	2,950
Total deferred tax	(66,180)	158,414
Income tax expense	$ 1,116,903	$ 785,928

(b)The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Year ended December 31, 2018	Year ended December 31, 2017
Changes in fair value of financial assets at fair value through other comprehensive income	$ 12,465	$ -
Fair value gains/losses on available-for-sale financial assets	-	(8,125)
Exchange differences on translating the financial statements of foreign operations	(33)	2,296
Remeasurement of defined benefit obligations	5,063	16,942
Impact of change in tax rate	6,387	-
	$ 23,882	$ 11,113

(c)The income tax charged/(credited) to equity during the period is as follows:

	Year ended December 31, 2018	Year ended December 31, 2017
Reduction in capital surplus caused by recognition of foreign investees based on the shareholding ratio	($ 115)	($ 95)
Reduction in retained earnings caused by recognition of foreign investees based on the shareholding ratio	146	-
Effects of retrospective application	182	-
Impact of change in tax rate	95	-
	$ 308	($ 95)

B. Reconciliation between income tax expense and accounting profit:

	Year ended December 31, 2018	Year ended December 31, 2017
Tax calculated based on profit before tax and statutory tax rate	$ 1,051,440	$ 1,823,489
Expenses disallowed by tax regulation	29,891	19,362
Tax exempt income by tax regulation	(324,906)	(1,028,143)
Effect from investment tax credits	41,966	(42,068)
Change in assessment of realisation of deferred tax assets	(246)	-
Prior year income tax overestimation	(8,780)	(32,894)
Effect from Alternative Minimum Tax	-	31,399
Effect from changes in tax regulation	42,717	2,950
Tax on undistributed earnings	283,973	-
Effect from income tax deduction from prior years	21,272	7,984
Effect of defferd tax from prior year income tax underestimation	-	3,849
Other	(20,424)	-
Income tax expense	$ 1,116,903	$ 785,928

C. Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

	2018						
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	Translation differences	Business combination	December 31
Temporary differences:							
—Deferred tax assets:							
Bad debts expense	$ 16,047	$ 2,470	$ -	$ 182	($ 182)	$ -	$ 18,517
Loss on valuation of financial assets	1,979	-	(1,979)	-	-	-	-
Deferred profit from disposal of loading and unloading equipment	13,918	671	-	-	-	-	14,589
Unrealized expense	30,185	5,976	-	-	(269)	-	35,892
Unrealized exchange loss	40,741	(11,862)	-	-	89	-	28,968
Pension expense and actuarial losses/(gains)	369,659	7,258	16,126	-	(1,726)	-	391,317
Others	275	621	-	-	183	-	1,079
Net operating loss carryforward	193,394	152,432	-	-	(209)	-	345,617
Investment tax credits	42,068	(42,068)	-	-	-	-	-
Subtotal	$ 708,266	$ 115,498	$ 14,147	$ 182	($ 2,114)	$ -	$ 835,979
—Deferred tax liabilities:							
Temporary differences:							
Gain on valuation of financial assets	$ -	$ -	($ 4,371)	$ -	$ -	$ -	($ 4,371)
Unrealized exchange gain	(584)	462	-	-	4	-	(118)
Unrealized gain	(5,019)	(161)	-	-	164	-	(5,016)
Pension expense and actuarial losses/(gains)	(617)	-	-	-	126	-	(491)
Foreign investment income	(768,141)	(45,996)	14,106	126	354	-	(799,551)
Others	(974,659)	(3,623)	-	-	(32,458)	(150,280)	(1,161,020)
Subtotal	($1,749,020)	($ 49,318)	$ 9,735	$ 126	($ 31,810)	($ 150,280)	($ 1,970,567)
Total	($1,040,754)	$ 66,180	$ 23,882	$ 308	($ 33,924)	($ 150,280)	($ 1,134,588)

	2017						
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	Translation differences	Business combination	December 31
Temporary differences:							
—Deferred tax assets:							
Bad debts expense	$ 14,493	$ 1,501	$ -	$ -	$ 53	$ -	$ 16,047
Loss on valuation of financial assets	1,766	-	209	-	4	-	1,979
Deferred profit from disposal of loading and unloading equipment	16,708	(2,790)	-	-	-	-	13,918
Unrealized expense	32,248	(1,301)	-	-	(762)	-	30,185
Unrealized exchange loss	50,198	(9,482)	-	-	25	-	40,741
Pension expense and actuarial losses/(gains)	365,725	(13,376)	15,284	-	2,026	-	369,659
Others	4,165	(3,706)	-	-	(184)	-	275
Net operating loss carryforward	176,711	16,474	-	-	209	-	193,394
Investment tax credits	-	42,068	-	-	-	-	42,068
Subtotal	$ 662,014	$ 29,388	$ 15,493	$ -	$ 1,371	$ -	$ 708,266
—Deferred tax liabilities:							
Temporary differences:							
Gain on valuation of financial assets	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unrealized exchange gain	(20,999)	20,112	-	-	303	-	(584)
Unrealized gain	(5,833)	454	-	-	360	-	(5,019)
Pension expense and actuarial losses/(gains)	(233)	-	(133)	-	(251)	-	(617)
Foreign investment income	(558,247)	(207,171)	(4,247)	(95)	1,619	-	(768,141)
Others	(47,870)	(1,197)	-	-	22,026	(947,618)	(974,659)
Subtotal	($ 633,182)	($ 187,802)	($ 4,380)	($ 95)	$ 24,057	($ 947,618)	($ 1,749,020)
Total	$ 28,832	($ 158,414)	$ 11,113	($ 95)	$ 25,428	($ 947,618)	($ 1,040,754)

D. Details of the amount the Company is entitled as investment tax credit and unrecognised deferred tax assets are as follows:

As of December 31, 2018：None.

	December 31, 2017		
Qualifying items	Unused tax credits	Unrecognised deferred tax assets	Expiry year
Investments in emerging important strategic industries	$ 42,068	$ -	2020

E. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

	December 31, 2018			
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2018	$ 671,047	$ 671,047	$ -	2028
2017	40,204	40,204	-	2027
2016	747,045	747,045	-	2026
2015	269,787	269,787	-	2025
	$ 1,728,083	$ 1,728,083	$ -	

	December 31, 2017			
Year incurred	Amount filed	Unused amount	Unrecognised deferred tax assets	Expiry year
2017	$ 116,177	$ 116,177	$ -	2027
2016	747,045	747,045	-	2026
2015	269,787	269,787	-	2025
	$ 1,133,009	$ 1,133,009	$ -	

F. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2018 and 2017, the amounts of temporary difference unrecognised as deferred tax liabilities were $13,656,982 and $13,018,477, respectively.

G. The Company’s income tax returns through 2016 have been assessed and approved by the Tax Authority.

H. Under the amendments to the Income Tax Act which was promulgated by the President of the Republic of China in February, 2018, the Company's applicable income tax rate was raised from 17% to 20% effective from January 1, 2018. The Group has assessed the impact of the change in income tax rate.

I. The impact of the change in tax rate was primarily from the tax bill signed into law by the President of the United States on December 22, 2017 (Taiwan time), which lowered the corporate income tax rate from 35% to 21%. The Group has assessed the impact of the change in income tax rate.

(29) Earnings (loss) per share

	Year ended December 31, 2018		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Loss per share (in dollars)
Basic loss per share			
Net loss attributable to ordinary shareholders of the parent	$ 293,919	4,240,919	$ 0.07
Diluted loss per share			
Net loss attributable to ordinary shareholders of the parent	293,919	4,240,919	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	215	
Net income attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 293,919	4,241,134	$ 0.07

	Year ended December 31, 2017		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Net income attributable to ordinary shareholders of the parent	$ 7,005,171	3,726,809	$ 1.88
Diluted earnings per share			
Net income attributable to ordinary shareholders of the parent	7,005,171	3,726,809	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	3,375	
Net income attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 7,005,171	3,730,184	$ 1.88

(30) Transactions with non-controlling interest

A. Acquisition of additional equity interest in a subsidiary

(a) Subsidiary, Peony, purchased 32.5% of outstanding shares of EMA for cash of $44,940 (approx. USD 1,461) on December 28, 2018. The carrying amount of non-controlling interest in Island was $41,019 at the acquisition date. This transaction resulted in a decrease in the non-controlling interest by $41,019 and a decrease in the equity attributable to owners of the parent by $3,921.

(b) Subsidiary, Everport Terminal Service Inc., purchased 49% of outstanding shares of Island for cash of $262,927 (approx. USD 8,853) on January 1, 2018. The carrying amount of non-controlling interest in Island was $223,006 at the acquisition date. This transaction resulted in a decrease in the non-controlling interest by $223,006 and a decrease in the equity attributable to owners of the parent by $39,921.

(c) Subsidiary, Peony Investment, purchased 34% of outstanding shares of subsidiary, EGT, for cash of $22,845 (approx. USD 769) on December 31, 2017. The carrying amount of non-controlling interest in EGT was $15,311 at the acquisition date. This transaction resulted in a decrease in the non-controlling interest by $15,311 and a decrease in the equity attributable to owners of the parent by $7,534.

(d) Subsidiary, Peony Investment, purchased 45% of outstanding shares of subsidiary, EES, for cash of $85,393 (approx. USD 2,875) on December 31, 2017. The carrying amount of non-controlling interest in EES was $86,620 at the acquisition date. This transaction resulted in a decrease in the non-controlling interest by $86,620 and an increase in the equity attributable to owners of the parent by $1,227.

B. The effect of changes in interests in EMA,ETS, EGT and EES on the equity attributable to owners of the parent for the years ended December 31, 2018 and 2017 are shown below:

	Year ended December 31, 2018	Year ended December 31, 2017
Carrying amount of non-controlling interest acquired	$ 264,025	$ 101,931
Consideration paid to non-controlling interest	(307,867)	(108,238)
Capital surplus - difference between proceeds on actual acquisition of or disposal of equity interest in a subsidiary and its carrying amount	($ 43,842)	($ 6,307)

(31) Business combinations

A. On December 14, 2018, subsidiary, EGH, acquired 100% of the shares of HMH for cash of $3,265,341 (approx. USD 105,808) and obtained control of the company. The company primarily provides shipping agency services. As a result of the acquisition, the Group is expected to strengthen our foothold in the Greater China market and expand our shipping agency and other related businesses in the region.

B. On January 1, 2018, subsidiary, Peony Investment, acquired 51% of the shares of EGV for cash of $10,603 (approx. USD 357). Peony Investment has a 49% equity interest before acquiring these 51% equity interests, therefore, Peony owns 100% of the shares of EGV after the acquisition and has control of EGV. The company primarily provides cargo and shipping agency services in Malaysia. As a result of the acquisition, the Group is expected to increase its presence in these markets. It also expects to reduce costs through economies of scale.

C. On December 18, 2017, the Company and Peony Investment acquired 80% of the shares of EGH for cash of $6,452,225 and obtained control of the company. The company primarily provides cargo services domestically and internationally and shipping agency services. As a result of the acquisition, the Group is expected to strengthen our foothold in the Greater China market and expand our shipping agency, liner transport, and other related businesses in the region.

D. On December 27, 2017, Peony Investment acquired 70% of the shares of EGM for cash of $280,668. Previously, on November 30, 2017, Peony Investment received 30% of the shares of EGM from its associate, Green Peninsula Agencies SDN. BHD., as a dividend payment. Therefore, Peony owns 100% of the shares of EGM after the acquisition and has control of EGM. The company primarily provides cargo and shipping agency services in Malaysia. As a result of the acquisition, the Group is expected to increase its presence in these markets. It also expects to reduce costs through economies of scale.

E. The following table summarises the consideration paid and the fair values of the assets acquired and liabilities assumed at the acquisition date, as well as the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets at the acquisition date:

	Year ended December 31, 2018	Year ended December 31, 2017
Purchase consideration		
Cash paid	$ 3,275,944	$ 6,732,893
Fair value of equity interest in EGM held before the business combination	10,187	120,287
Non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets	-	1,613,445
	3,286,131	8,466,625
Fair value of the identifiable assets acquired and liabilities assumed		
Cash and cash equivalents	640,114	1,626,514
Notes receivable	-	21,411
Accounts receivable	1,025,835	1,654,816
Prepayments	18,606	357,931
Other receivables	59,248	38,375
Inventories	-	50,253
Other current assets	106,692	1,415,204
Investments accounted for using equity method	87,092	4,195
Property, plant and equipment, net	211,222	5,764,793
Investment property, net	962,109	3,119,127
Intangible assets	2,144,086	75,928
Other non-current assets	15,777	148,991
Accounts payable	(268,226)	(2,006,696)
Other payables	(235,433)	(241,970)
Current income tax liabilities	(27,462)	(215,017)
Other current liabilities	(944,979)	(1,805,049)
Long-term loans	(131,261)	(534,492)
Deferred income tax liabilities	(150,280)	(947,618)
Other non-current liabilities	(224,773)	(54,088)
Total identifiable net assets	3,288,367	8,472,608
Goodwill / Gain from bargain purchase	($ 2,236)	($ 5,983)

The following table summarises the amounts of goodwill and gain from bargain purchase by company:

	Year ended December 31, 2018	Year ended December 31, 2017
HMH	($ 8,848)	$ -
EGV	6,612	-
EGH	-	(1,553)
EGM	-	(4,430)
	($ 2,236)	($ 5,983)

F. As at December 31, 2018 and 2017, the fair value of the acquired identifiable intangible assets – customer relationship were estimated to be $2,143,384 and $75,928, respectively.

G. The Group originally held 49% of share ownership in EGV before the business combination. Loss on remeasurement of fair value amounted to $119,908.

H. The Group originally held 30% of share ownership in EGM before the business combination. Gain on remeasurement of fair value amounted to $30,253.

I. The subsidiary, EGH, consolidated HMH as of December 14, 2018, and HMH contributed operating income and pre-tax loss of $6,807 and $115,535, respectively. Had EGH been consolidated from January 1, 2018, the consolidated statement of comprehensive income for the year ended December 31, 2018 would show operating revenue and loss before income tax of $1,183,972 and $545,887, respectively.

J. The Company and subsidiary, Peony Investment, consolidated EGH as of December 18, 2017, and EGH contributed operating income and pre-tax loss of $317,144 and $28,251, respectively. Had EGH been consolidated from January 1, 2017, the consolidated statement of comprehensive income for the year ended December 31, 2017 would show operating revenue and loss before income tax of $2,340,377 and $455,118, respectively.

K. Peony Investment consolidated EGM as of December 27, 2017, and EGM contributed operating income and pre-tax loss of $3,531 and $331, respectively. Had EGM been consolidated from January 1, 2017, the consolidated statement of comprehensive income for the year ended December 31, 2017 would show operating revenue and profit before income tax of $341,516 and $98,988, respectively.

(32) Supplemental cash flow information

Investing activities with partial cash payments

A. Property, plant and equipment

	Year ended December 31, 2018	Year ended December 31, 2017
Purchase of property, plant and equipment	$ 10,041,327	$ 1,602,423
Add: Opening balance of payable on equipment	58,347	15,693
Less: Ending balance of payable on equipment	(34,258)	(58,347)
Cash paid during the period	$ 10,065,416	$ 1,559,769

B. Prepayments for equipment (recorded as other non-current assets)

	Year ended December 31, 2018	Year ended December 31, 2017
Purchase of prepayments for equipment	$ 14,606,580	$ 5,615,770
Add: Opening balance of payable on prepayments for equipment	4,638	124,787
Less: Ending balance of payable on prepayments for equipment	(194)	(4,638)
Capitalisation of qualifying assets	(155,226)	(107,084)
Cash paid during the period	$ 14,455,798	$ 5,628,835

C. Intangible assets

	Year ended December 31, 2018	Year ended December 31, 2017
Purchase of intangible assets	$ 29,380	$ 7,397
Add: Opening balance of payable on intangible assets	-	48,347
Less: Ending balance of payable on intangible assets	-	-
Cash paid during the period	$ 29,380	$ 55,744

D. Investments accounted for using equity method

	Year ended December 31, 2018	Year ended December 31, 2017
Purchase of investments accounted for using equity method	$ 1,003,740	$ -
Add: Opening balance of payable on capital stock	(23,166)	-
Less: Ending balance of payable on capital stock	-	-
Cash paid during the period	$ 980,574	$ -

E. The balances of the assets and liabilities of consolidated subsidiaries for the current period are as follows:

	January 1, 2018	Year ended December 31, 2017
Cash and cash equivalents	$ 640,114	$ 1,626,514
Notes receivable	-	21,411
Accounts receivable	1,025,835	1,654,816
Prepayments	18,606	357,931
Other receivables	59,248	38,375
Inventories	-	50,253
Other current assets	106,692	1,415,204
Investments accounted for using equity method	87,092	4,195
Property, plant and equipment, net	211,222	5,764,793
Investment property, net	962,109	3,119,127
Intangible assets	2,144,086	75,928
Deferred income tax assets	-	142,849
Other non-current assets	15,777	6,142
Accounts payable	(268,226)	(2,006,696)
Other payables	(235,433)	(241,970)
Current income tax liabilities	(27,462)	(215,017)
Other current liabilities	(944,979)	(1,805,049)
Long-term loans	(131,261)	(534,492)
Deferred income tax liabilities	(150,280)	(947,618)
Other non-current liabilities	(224,773)	(54,088)
Goodwill/Gain from bargain purchase	(2,236)	(5,983)
	$ 3,286,131	$ 8,466,625
Cash paid for the acquisition	$ 3,275,944	$ 6,732,893
Cash and cash equivalents	(640,114)	(1,626,514)
Net cash paid for the acquisition	$ 2,635,830	$ 5,106,379

F. Change in non-controlling interest

	Year ended December 31, 2018	Year ended December 31, 2017
Change in transactions with non-controlling interest	$ 1,167,819	$ 108,238
Add: Opening balance of payable on investments	-	-
Less: Ending balance of payable on investments	-	(22,845)
Add: Acquired from business combinations	48,163	-
Cash paid during the period	$ 1,215,982	$ 85,393

(33) Changes in liabilities from financing activities

	Long-term borrowings
At January 1, 2018	$ 81,487,631
Changes in cash flow from financing activities	16,260,197
Acquired from business combinations	131,261
Impact of changes in foreign exchange rate	1,481,412
At December 31, 2018	$ 99,360,501

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and their relationship with the Group

Names of related parties	Relationship with the Group
Evergreen International Storage and Transport Corp.	Associate
Eva Airways Corp.	Associate
Evergreen Security Corp.	Associate
Charng Yang Development Co., Ltd.	Associate
Taipei Port Container Terminal Corp.	Associate
Ningbo Victory Container Co. Ltd.	Associate
Qingdao Evergreen Container Storage & Transportation Co. Ltd.	Associate
Evergreen Marine (Latin America) S.A.	Associate
Green Peninsula Agencies SDN.BHD	Associate
Luanta Investment (Netherlands) N.V.	Associate
Balsam Investment (Netherlands) N.V.	Associate
Italia Marittima S.p.A.	Associate
Colon Container Terminal S.A.	Associate
PT. Evergreen Shipping Agency Indonesia	Associate
Evergreen Shipping Agency (Vietnam) Corp.	Other related party (A subsidiary since January 1, 2018)
Evergreen Shipping Agency Co. (U.A.E) LLC	Associate
Evergreen International Corp.	Other related party
Evergreen Airline Service Corp.	Other related party
Chang Yung-Fa Charity Foundation	Other related party
Chang Yung-Fa Foundation	Other related party
Eever Accord Construction Corporation	Other related party
Evergreen Aviation Technologies Corporation	Other related party
Evergreen Sky Catering Corporation	Other related party
Evergreen Air Cargo Services Corporation	Other related party
Evergreen Aviation Precision Corporation	Other related party
Evergreen International S.A.	Other related party
Evergreen Marine (Singapore) Pte. Ltd.	Other related party
Gaining Enterprise S.A.	Other related party
Eevergreen Insurance Company Limited	Other related party
Evergreen Shipping Agency (America) Corporation	Other related party
Evergreen Shipping Agency (Japan) Corporation	Other related party
Evergreen Shipping Agency (Philippines) Corporation	Other related party
Evergreen International Myanmar Co., Ltd.	Other related party
Evergreen Marine (Hong Kong) Ltd.	Other related party (A subsidiary since December 18, 2017)

(2) Significant related party transactions and balances

A. Operating revenue:

		Year ended December 31, 2018		Year ended December 31, 2017
Sales of services:				
Associates	$	2,830,008	$	3,191,386
Other related parties		10,452,502		10,692,025
	$	13,282,510	$	13,883,411

The business terms on which the Group transacts with related parties are of no difference from those with non-related parties.

B. Purchases:

		Year ended December 31, 2018		Year ended December 31, 2017
Purchases of services:				
Associates	$	3,293,741	$	3,717,601
Other related parties		7,481,533		7,698,504
	$	10,775,274	$	11,416,105

Goods and services are purchased from associates and other related parties on normal commercial terms and conditions.

C. Receivables from related parties :

		December 31, 2018		December 31, 2017
Accounts receivable:				
Associates	$	115,875	$	162,609
Other related parties		387,763		631,012
Subtotal	$	503,638	$	793,621
Other receivables:				
Associates				
-Other	$	1,626	$	3,038
Other related parties				
-EIC		179,661		162,433
-Other		8,402		48,789
Subtotal	$	189,689	$	214,260
Total	$	693,327	$	1,007,881

The receivables from related parties arise mainly from sale transactions. The receivables are unsecured in nature and bear no interest. The receivables include provisions against receivables from related parties.

D. Payables to related parties:

		December 31, 2018	December 31, 2017
Accounts payable:			
	Associates	$ 61,940	$ 57,279
	Other related parties	191,232	146,589
	Subtotal	$ 253,172	$ 203,868
Other payables:			
	Associates	$ 25,548	$ 11,752
	Other related parties	156,320	113,616
	Subtotal	$ 181,868	$ 125,368
	Total	$ 435,040	$ 329,236

The payables to related parties arise mainly from purchase transactions. The payables bear no interest.

E. Property transactions:

(a) Acquisition of property, plant and equipment:

	Year ended December 31, 2018	Year ended December 31, 2017
Associates	$ -	$ 4,350
Other related parties	4,805	4,199
	$ 4,805	$ 8,549

(b) Disposal of property, plant and equipment:

	Year ended December 31, 2018		Year ended December 31, 2017	
	Disposal proceeds	Gain (loss) on disposal	Disposal proceeds	Gain (loss) on disposal
Other related parties	$ -	$ -	$ 4,890	$ 746

F. Agency accounts:

		December 31, 2018	December 31, 2017
Credit balance of agency accounts:			
	Associates	($ 170,132)	($ 196,045)
	Other related parties		
	-EIC	(382,642)	(515,617)
	-EGA	(648,750)	(865,521)
	-EGJ	(441,941)	(364,482)
	-Other	(57,287)	(28,815)
		($ 1,700,752)	($ 1,970,480)

G. Shipowner's accounts:

		December 31, 2018		December 31, 2017
Debit balance of shipowner's accounts:				
Associates				
-ITS	$	133,072	$	-
Other related parties				
-EIS		471,267		696,616
-GESA		20,409		25,028
	$	624,748	$	721,644

		December 31, 2018		December 31, 2017
Credit balance of shipowner's accounts:				
Associates				
-ITS	$	-	($	889,198)
Other related parties				
-EMS	(	1,804,031)	(	525,647)
	($	1,804,031)	($	1,414,845)

H. Loans to/from related parties:

(a) Loans to related parties:

i. Outstanding balance:

		December 31, 2018		December 31, 2017
Associates	$	409,242	$	272,467

ii. Interest income

		Year ended December 31, 2018		Year ended December 31, 2017
Associates	$	10,314	$	2,876

The loans to associates carry interest at floating rates for the years ended December 31, 2018 and 2017.

(b) Loans from related parties:

i. Outstanding balance:

		December 31, 2018		December 31, 2017
Other related parties	$	1,002,616	$	877,363

ii. Interest expense:

	Year ended December 31, 2018	Year ended December 31, 2017
Associates	$ -	$ 765
Other related parties	40,026	15,401
	$ 40,026	$ 16,166

The loans from associates carry interest at floating rates for the years ended December 31, 2018 and 2017.

I. Endorsements and guarantees provided to related parties:

	December 31, 2018	December 31, 2017
Associates	$ 3,646,750	$ 3,035,391

J. On August 11, 2017, the Board of Directors resolved to have the Company and Peony Investment acquire 79% and 1%, respectively, of the shares of EGH from other related party Evergreen International S.A. The acquisition date was December 18, 2017, and the transaction amount was $6,452,225 (approx. USD $212,000).

K. On November 30, 2017, the Board of Directors resolved to have Peony Investment acquire 19% of the shares (95,000 shares) of EGM for $76,181 (approx. USD 2,545) from other related party GESA. The acquisition date was December 27, 2017.

L. On December 20, 2017, the Board of Directors resolved to have subsidiary ETS acquire 15% of the shares of Island for $80,488 (approx. USD 2,710) from associate ITS. The acquisition date was January 1, 2018.

M. On June 7, 2018, the Board of Directors resolved to have the subsidiary Peony Investment acquire 11.1074% of the shares of ICS Depot Services Sdn Bhd for $21,568 (approx. USD 706) from associate GESA. The acquisition date was June 30, 2018.

N. On August 13, 2018, the Board of Directors of the subsidiary, EGH, during their meeting resolved to acquire 100% of the shares of HMH from other related party Chestnut. The acquisition date was December 14, 2018, and the transaction amount was $3,265,341 (approx. USD $105,808).

(3) Key management compensation

	Year ended December 31, 2018	Year ended December 31, 2017
Salaries and other short-term employee benefits	$ 150,727	$ 207,058
Post-employment benefits	3,704	3,909
	$ 154,431	$ 210,967

8. PLEDGED ASSETS

The Group’s assets pledged as collateral are as follows:

Pledged assets	Book value December 31, 2018	Book value December 31, 2017	Purpose
Other financial assets			
- Pledged time deposits	$ 271,721	$ 324,508	Performance guarantee
Refundable deposits			
- Pledged time deposits	2,000	2,000	〃
Property, plant and equipment			
-Land	514,312	514,312	Long-term loan
-Buildings	5,760,284	2,081,017	〃
-Loading and unloading equipment	1,971,185	1,968,231	〃
-Ships	71,813,444	56,643,395	〃
-Computer and communication equipment	502,283	659,279	〃
Investment property			
-Land	1,285,781	1,285,781	Long-term loan
-Buildings	4,393,746	3,523,332	〃
	$ 86,514,756	$ 67,001,855	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A. As of December 31, 2018, the Company had delegated Crédit Agricole Corporate and Investment Bank to issue Standby Letter of Credit amounting to USD 5,000.

B. A former stockholder of the Company sold some of its shares through issuance of global depository receipts (GDRs). The issuance of GDRs was approved by the SEC on June 19, 1996 as per Letter (85) Tai-Cai-Zheng (1) No. 35410. On August 2, 1996, the GDRs were approved by the UK governing authority to be listed on the London Stock Exchange and were issued in Asia, Europe and the US. The total amount of the issuance of GDRs was USD 115,000. The initial number of units issued was 5,449,592, representing 54,495,920 shares of the Company’s common stock at $50.50 (in dollars) per share, and the number of supplementary units issued was 817,438. In total, the number of units issued was 6,267,030, representing 62,670,300 shares of the Company’s common stock at $50.50 (in dollars) per share, and the GDRs issued amounted to USD 115,000. Another 2,116,352 units, representing 21,163,604 shares of the Company’s common stock, were issued during the period from 1997 to December 31, 2018. As of December 31, 2018, 8,301,902 units were redeemed and 81,480 units were outstanding, representing 814,889 shares of the Company’s common stock.

C. As of December 31, 2018, the long-term and medium-term loan facilities granted by the financial institutions with the resolution from the Board of Directors to finance the Group's purchase of new ships and general working capital requirement amounted to $112,504,119 and the unutilized credit was $20,541,327.

D. Operating lease

The estimated amount of rent expense in the following years under long-term contracts is set forth as follows:

	December 31, 2018	
Within 1 year	$	18,144,025
1~5 years		67,013,201
Over 5 years		45,807,288
	$	130,964,514

E. As of December 31, 2018, the amount of guaranteed notes issued by the Company for loans borrowed was $75,190,874.

F. To meet its operational needs, the Company signed the shipbuilding contracts with Imabari Shipbuilding Co., Ltd. and Samsung Heavy Industries. As of December 31, 2018, the total price of the contracts, wherein the vessels have not yet been delivered, amounted to USD 912,760, USD 791,560 of which remain unpaid.

G. In response to international regulations on sulfur content in shipping fuel, the Group entered into sulfur emission abatement equipment purchase contracts with Wartsila Finland Oy and Alfa Laval Nijmegen B.V.. The total contract prices are USD 72,440 and EUR 23,246, respectively, and USD 60,897 and EUR 18,544 remain unpaid. The Group signed installation contracts with Huarun Dadong Dockyard Co., Ltd.. As of December 31, 2018, the total price of the contracts amounted to USD 88,380, USD 86,612 of which remain unpaid.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

For details of appropriation of earnings as proposed by the Board of Directors on March 22, 2019, please refer to Note 6(18).

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders and issue new shares to maintain an optimal capital.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2018	December 31, 2017
Financial assets		
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	$ 1,650,372	$ -
Available-for-sale financial assets	-	2,282,619
Held-to-maturity financial assets	-	100,000
Financial assets at amortised cost		
Cash and cash equivalents	38,230,522	38,108,263
Notes receivables	154,295	66,410
Accounts receivable	15,516,849	13,769,670
Other accounts receivable	1,481,452	882,906
Financial assets at amortised cost	100,000	-
Guarantee deposits paid	226,760	197,413
Other financial assets	271,721	324,508
	$ 57,631,971	$ 55,731,789
Financial liabilities		
Financial liabilities at amortised cost		
Accounts payable	$ 20,066,362	$ 15,562,519
Other accounts payable	4,807,376	4,113,886
Bonds payable (including current portion)	10,000,000	8,000,000
Long-term borrowings (including current portion)	99,360,501	81,487,631
Guarantee deposits received	347,115	37,608
	$ 134,581,354	$ 109,201,644

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial position and financial performance.

(b) Risk management is carried out by the Group's Finance Department under policies approved by the Board of Directors. The Group's Finance Department identifies, evaluates and hedges financial risks in close co-operation with the Group's Operating Department. The Board of Directors provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and GBP. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investment in foreign operations.

ii. The Group's management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The group companies are required to hedge their entire foreign exchange risk exposure with the Group's Finance Department. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group use forward foreign exchange contracts, transacted with Group's Finance Department. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a foreign currency that is not the entity's functional currency.

iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD, GBP, EUR, CNY and others). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2018		
	Foreign currency amount (In Thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 975,655	30.7535	$ 30,004,806
Financial liabilities			
Monetary items			
USD:NTD	$ 955,998	30.7535	$ 29,400,284
HKD:USD	102,461	0.1276	402,072
GBP:USD	5,892	1.2650	229,218
RMB:USD	209,819	0.1456	939,509
EUR:USD	4,406	1.1450	155,147

	December 31, 2017		
	Foreign currency amount (In Thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 946,352	29.7005	$ 28,107,128
EUR:USD	9,375	1.1993	333,936
Financial liabilities			
Monetary items			
USD:NTD	$ 830,955	29.7005	$ 24,679,779
HKD:USD	93,861	0.1279	356,549
RMB:USD	143,195	0.1532	651,554

iv. The total exchange (loss) gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2018 and 2017 amounted to $308,031 and $51,516, respectively.

v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Year ended December 31, 2018		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 300,048	$ -
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 294,003	$ -
HKD:USD	1%	4,021	-
GBP:USD	1%	2,292	-
RMB:USD	1%	9,395	-
EUR:USD	1%	1,551	-

	Year ended December 31, 2017		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 281,071	$ -
EUR:USD	1%	3,339	-
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 246,798	$ -
HKD:USD	1%	3,565	-
RMB:USD	1%	6,516	-

Price risk

i. The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheet either as available-for-sale or at fair value through profit or loss. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

ii. The Group's investments in equity securities comprise domestic listed and unlisted stocks. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, equity would have increased/decreased by $16,071 and $22,364 for the years ended December 31, 2018 and 2017, respectively, as a result of gains/losses on equity securities classified as available-for-sale.

Cash flow and fair value interest rate risk

i. The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During the years ended December 31, 2018 and 2017, the Group's borrowings at variable rate were denominated in the NTD, USD and GBP.

ii. At December 31, 2018 and 2017, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the years ended December 31, 2018 and 2017 would have been $866,151 and $702,141 lower/higher, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.

ii. The Group manages their credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.

iii. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

iv. If the default rate of an investment target exceeds 0.03%, there has been a significant increase in credit risk on that instrument since initial recognition.

v. The Group classifies customers' accounts receivable in accordance with the nature of segments. The Group applies the modified approach using probability of default to estimate expected credit loss under the provision matrix basis.

vi. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. On December 31, 2018, the Group has no written-off financial assets that are still under recourse procedures.

vii. The Group used the forecastability to adjust historical and timely information to assess the default possibility of notes receivable, accounts receivable (including related parties) and contract assets. On December 31, 2018, the loss rate methodology is as follows:

	Individual	Group	Total
At December 31, 2018			
Expected loss rate	100%	0.17%	
Total book value	$ 269,567	$ 17,945,460	$ 18,215,027
Loss allowance	$ 269,567	$ 30,251	$ 299,818

viii. Movements in relation to the group applying the simplified approach to provide loss allowance for accounts receivable, contract assets and lease payments receivable are as follows:

	2018			
	Notes receivable	Accounts receivable	Contract assets	Overdue receivables
At January 1_IAS 39	$ -	($ 96,283)	$ -	($ 195,715)
Adjustments under new standards	(5)	(909)	(4,467)	-
At January 1_IFRS 9	(5)	(97,192)	(4,467)	(195,715)
Provision for impairment	-	(15,524)	-	-
Reversal of impairment loss	1	10,192	3,858	-
Write-offs	-	1,114	-	-
Effect of foreign exchange	-	4,942	(83)	(6,939)
At December 31	($ 4)	($ 96,468)	($ 692)	($ 202,654)

ix. Credit risk information of 2017 is provided in Note 12(4).

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group's Finance Department. Group's Finance Department monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

ii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities.

Non-derivative financial liabilities:

December 31, 2018	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Accounts payable	$ 19,747,208	$ 65,975	$ 7	$ -	$ -	$19,813,190
Accounts payable - related parties	145,511	107,661	-	-	-	253,172
Other payables	3,345,893	275,033	-	-	1,966	3,622,892
Other payables - related parties	80,048	1,104,436	-	-	-	1,184,484
Bonds payable	-	101,200	101,200	10,177,600	-	10,380,000
Long-term loans (including current portion)	6,739,554	12,365,049	25,567,731	47,214,097	16,668,096	108,554,527
Long-term leases (including current portion)	593,514	1,347,737	1,245,685	8,452,762	-	11,639,698

Non-derivative financial liabilities:

December 31, 2017	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Accounts payable	$ 15,358,566	$ 71	$ 14	$ -	$ -	$15,358,651
Accounts payable - related parties	188,582	15,286	-	-	-	203,868
Other payables	2,683,132	426,465	-	-	1,558	3,111,155
Other payables - related parties	138,764	863,967	-	-	-	1,002,731
Bonds payable	-	84,000	84,000	8,210,000	-	8,378,000
Long-term loans (including current portion)	3,611,101	14,125,522	19,548,867	32,884,400	16,685,608	86,855,498
Long-term leases (including current portion)	505,416	844,283	1,672,398	8,359,595	349,204	11,730,896

iii. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value estimation

A.The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active if it meets all the following conditions: the items traded in the market are homogeneous; willing buyers and sellers can normally be found at any time; and prices are available to the public. The fair value of the Group's investment in listed stocks, beneficiary certificates and derivative instruments with quoted market prices is included in Level.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. Fair value information of investment property at cost is provided in Note 6(9).

C. Financial instruments not measured at fair value

(a) Except for those listed in the table below, the carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, other financial assets, accounts payable and other payables are approximate to their fair values.

	December 31, 2018	
		Fair value
	Book value	Level 3
Financial liabilities:		
Bonds payable	$ 10,000,000	$ 10,156,197
Long-term loans (including current portion)	99,360,501	108,243,508
	$ 109,360,501	$ 118,399,705

	December 31, 2017	
		Fair value
	Book value	Level 3
Financial liabilities:		
Bonds payable	$ 8,000,000	$ 8,177,927
Long-term loans (including current portion)	81,487,631	85,935,082
	$ 89,487,631	$ 94,113,009

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

(a) The related information of natures of the assets and liabilities is as follows:

December 31, 2018	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
Equity securities	$ 850,223	$ -	$ 800,149	$ 1,650,372

December 31, 2017	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Available-for-sale financial assets				
Equity securities	$ 1,144,974	$ -	$ 1,137,645	$ 2,282,619

(b) The methods and assumptions the Group used to measure fair value are as follows:

i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares
Market quoted price	Closing price

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).

iii. When assessing non-standard and low-complexity financial instruments, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate. Structured interest derivative instruments are measured by using appropriate option pricing models (i.e. Black-Scholes model) or other valuation methods, such as Monte Carlo simulation.

v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

vi. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

E. For the years ended December 31, 2018 and 2017, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the years ended December 31, 2018 and 2017:

	2018	2017
At January 1	$ 1,137,645	$ 1,056,802
Issued in the period	-	-
Sold in the period	(924)	-
Gains and losses recognised in other comprehensive income (Note 1)	(336,572)	80,843
At December 31	$ 800,149	$ 1,137,645

Note 1: Recorded as unrealised gain or losses on valuation of available-for-sale financial assets, unrealised gains or losses on valuation of investments in equity instruments measured at fair value through other comprehensive income and exchange differences on translating the financial statements of foreign operations.

G. For the years ended December 31, 2018 and 2017, there was no transfer into or out from Level 3.

H. The Group is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2018	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 793,376	Market comparable companies	Price to earnings ratio multiple	7.61~70.77	The higher the multiple and control premium, the higher the fair value
			Price to book ratio multiple	0.46~2.36	The higher the multiple and control premium, the higher the fair value
			Discount for lack of marketability	20%~30%	The higher the weighted average cost of capital and discount for lack of control, the lower the fair value
Venture capital shares Private equity fund investment	6,773	Net asset value	Net asset value		The higher the net asset value, the higher the fair value

	Fair value at December 31, 2017	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 1,129,949	Market comparable companies	Price to earnings ratio multiple	15.33~31.89	The higher the multiple and control premium, the higher the fair value
			Price to book ratio multiple	0.48~1.71	The higher the multiple and control premium, the higher the fair value
			Discount for lack of marketability	20%	The higher the weighted average cost of capital and discount for lack of control, the lower the fair value
Venture capital shares Private equity fund investment	7,696	Net asset value	Net asset value		The higher the net asset value, the higher the fair value

J. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in difference measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets categorised within Level 3 if the inputs used to valuation models have changed:

			December 31, 2018			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to earnings ratio/ price to book ratio/ discount for lack of marketability	±1%	$ -	$ -	$ 7,934	$ 7,934
	Net asset value	±1%	-	-	68	68
			$ -	$ -	$ 8,002	$ 8,002

	Input	Change	December 31, 2017: Recognised in profit or loss: Favourable change	Recognised in profit or loss: Unfavourable change	Recognised in other comprehensive income: Favourable change	Recognised in other comprehensive income: Unfavourable change
Financial assets						
Equity instrument	Price to earnings ratio/ price to book ratio/ discount for lack of marketability	±1%	$ -	$ -	$ 11,299	$ 11,299
	Net asset value	±1%	-	-	77	77
			$ -	$ -	$ 11,376	$ 11,376

(4) Effects on initial application of IFRS 9 and information on application of IAS 39 in 2017

A. Summaries of adopting significant accounting policies in 2017:

(a) Financial assets at fair value through profit or loss

i. They are financial assets held for trading or financial assets designated as at fair value through profit or loss on initial recognition. Financial assets are classified in this category of held for trading if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as financial assets held for trading unless they are designated as hedges. Financial assets that meet one of the following criteria are designated as at fair value through profit or loss on initial recognition:

(i) Hybrid (combined) contracts; or

(ii) They eliminate or significantly reduce a measurement or recognition inconsistency; or

(iii)They are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

ii. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

iii. Financial liabilities at fair value through profit or loss are initially recognised at fair value. Related transaction costs are expensed in profit or loss. These financial liabilities are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial liabilities are recognised in profit or loss.

(b) Available-for-sale financial assets

i. They are non-derivatives that are either designated in this category or not classified in any of the other categories.

ii. On a regular way purchase or sale basis, available-for-sale financial assets are recognised and derecognised using trade date accounting.

iii. They are initially recognised at fair value plus transaction costs. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognised in other comprehensive income.

(c) Held-to-maturity financial assets

i. They are non-derivative financial assets with fixed or determinable payments and fixed maturity date that the Group has the positive intention and ability to hold to maturity other than those that meet the definition of loans and receivables and those that are designated as at fair value through profit or loss or as available-for-sale on initial recognition.

ii. On a regular way purchase or sale basis, held-to-maturity financial assets are recognised and derecognised using trade date accounting.

iii. They are initially recognised at fair value on the trade date plus transaction costs and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Amortisation of a premium or a discount on such assets is recognised in profit or loss.

(d) Notes, accounts and other receivables

Notes and accounts receivable are claims resulting from the sale of goods or services. Receivables arising from transactions other than the sale of goods or services are classified as other receivables. Notes, accounts and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. However, short-term accounts receivable without bearing interest are subsequently measured at initial invoice amount as effect of discounting is immaterial.

(e) Impairment of financial assets

i. The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired as a result of one or more events that occurred after the initial recognition of the asset (a ‘loss event’) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

ii. The criteria that the Group uses to determine whether there is objective evidence of an impairment loss is as follows:

(i) Significant financial difficulty of the issuer or debtor;

(ii) A breach of contract, such as a default or delinquency in interest or principal payments;

(iii) The Group, for economic or legal reasons relating to the borrower’s financial difficulty, granted the borrower a concession that a lender would not otherwise consider;

(iv) It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;

(v) The disappearance of an active market for that financial asset because of financial difficulties;

(vi) Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial asset in the group, including adverse changes in the payment status of borrowers in the group or national or local economic conditions that correlate with defaults on the assets in the group;

(vii) Information about significant changes with an adverse effect that have taken place in the technology, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in the equity instrument may not be recovered; or

(viii) A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

iii. When the Group assesses that there has been objective evidence of impairment and an impairment loss has occurred, accounting for impairment is made as follows according to the category of financial assets:

(i) Financial assets measured at cost

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate, and is recognised in profit or loss. Impairment loss is recognized and reversed by adjusting the carrying amount of the asset through the use of an impairment allowance account.

(ii) Available-for-sale financial assets

The amount of the impairment loss is measured as the difference between the asset's acquisition cost (less any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, and is reclassified from 'other comprehensive income' to 'profit or loss'. If, in a subsequent period, the fair value of an investment in a debt instrument increases, and the increase can be related objectively to an event occurring after the impairment loss was recognised, such impairment loss is reversed through profit or loss. Impairment loss of an investment in an equity instrument recognised in profit or loss shall not be reversed through profit or loss. Impairment loss is recognised and reversed by adjusting the carrying amount of the asset through the use of an impairment allowance account.

(f) Derivative financial instruments and hedging activities

i. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Any changes in the fair value are recognised in profit or loss.

ii. The Group designates certain derivatives as hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

iii. The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

iv. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as current assets or liabilities.

v. Cash flow hedge

(i) The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the statement of comprehensive income within 'other gains and losses'.

(ii) Amounts accumulated in other comprehensive income are reclassified into profit or loss in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the statement of comprehensive income within 'finance costs'. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or financial liability, the gains and losses previously deferred in other comprehensive income are reclassified into profit or loss in the periods when the asset acquired or the liability assumed affects profit or loss. The deferred amounts are ultimately recognised in operating costs.

(iii) When a hedging instrument expires, or is sold, cancelled or executed, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in other comprehensive income at that time remains in other comprehensive income. When a forecast transaction occurs or is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income is transferred to profit or loss in the periods when the hedged forecast cash flow affects profit or loss.

B. The reconciliations of carrying amount of financial assets transfered from December 31, 2017, IAS 39, to January 1, 2018, IFRS 9, were as follows:

	Measured at fair value through other comprehensive income-equity	Available-for-sale financial assets	Held-to-maturity financial assets	Financial assets at amortised cost	Total	Effects: Retained earnings	Effects: Others equity
IAS 39	$ -	$ 2,282,619	$ 100,000	$ -	$ 2,382,619	$ -	$ -
Transferred into and measured at fair value through other comprehensive income-equity	2,282,619	(2,282,619)	-	-	-	-	-
Transferred into and measured at amortised cost	-	-	(100,000)	100,000	2,382,619	-	-
Impairment loss adjustment	-	-	-	-	-	192,156	(192,156)
IFRS 9	$ 2,282,619	$ -	$ -	$ 100,000	$ 4,765,238	$ 192,156	($ 192,156)

(a) Under IAS 39, because the equity instruments, which were classified as: available-for-sale financial assets, amounting to $2,282,619, were not held for the purpose of trading, they were reclassified as "financial assets at fair value through other comprehensive income (equity instruments)" amounting to $2,282,619, increased retained earnings and decreased other equity interest in the amounts of $192,156 and $192,156 on initial application of IFRS 9.

(b) Under IAS 39, because the equity instruments, which were classified as: held-to-maturity financial assets, amounting to $100,000, met the condition that it is intended to settle the principal and interest on the outstanding principal balance, and the Group holds these assets for the purpose of cash inflow and sale, they were reclassified as "financial assets at amortised cost" amounting to $100,000 on initial application of IFRS 9.

C. The significant accounts as of December 31, 2017 and for the year ended December 31, 2017, are as follows:

(a) Available-for-sale financial assets

Items	December 31, 2017
Non-current items:	
Listed (TSE and OTC) stocks	$ 631,039
Unlisted stocks	205,227
Subtoal	836,266
Valuation adjustment	1,446,353
	$ 2,282,619

i. The Group recognised $41,394 in other comprehensive income (including unrealised gain or losses on valuation of available-for-sale financial assets and exchange differences on translating the financial statements of foreign operations.) for fair value change for the year ended December 31, 2017.

ii. The Company originally owned the emerging stock of Taiwan High Speed Rail Corporation which was first publicly traded on October 27, 2016. However, for the year ended December 31, 2015, the Company assessed that there had been objective evidence of impairment given that the market price of the shares declined continuously fell. As of December 31, 2017, the Company has recognized $189,091 as impairment loss.

iii. The Company recognised impairment loss of $3,065 on unlisted stocks.

iv. The Group has no available-for-sale assets pledged to others.

(b)Held-to-maturity financial assets

Items	December 31, 2017
Current items:	
Financial bonds	$ -
Non-current items:	
Financial bonds	$ 100,000

i. The Group recognised interest income of $2,339 for amortised cost in profit or loss for the year ended December 31, 2017.

ii. The counterparties of the Group's investments have good credit quality.

iii. The Group has no held-to-maturity financial assets held by the Group pledged to others.

D. Credit risk information for the year ended December 31, 2017 are as follows :

(a) Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

(b) For the year ended December 31, 2017, no credit limits were exceeded during the reporting periods, and management does not expect any significant losses from non-performance by these counterparties.

(c) The credit quality of accounts receivable that were neither past due nor impaired was in the following categories based on the Group's credit quality control policy.

	December 31, 2017	
Group 1	$	1,438,533
Group 2		9,514,967
	$	10,953,500

Note:

Group 1: Low risk: The Group's ten largest customers, with sound performance and high transparency of financial information, are approved based on the Group's credit quality control policy.

Group 2: General risk.

(d) The ageing analysis of accounts receivable that were past due but not impaired is as follows:

	December 31, 2017	
Up to 30 days	$	1,749,509
31 to 180 days		273,040
	$	2,022,549

The above ageing analysis was based on past due date.

(e) Movement analysis of financial assets that were impaired is as follows:

	2017					
	Individual provision		Group provision		Total	
At January 1	($	99,075)	$	-	($	99,075)
Provision for impairment	(	21,646)		-	(	21,646)
Reversal of impairment		18,569		-		18,569
Write-offs during the period		3,490		-		3,490
Net exchange differences		2,379		-		2,379
At December 31	($	96,283)	$	-	($	96,283)

(5) Effects of initial application of IFRS 15 and information on application of IAS 18 in 2017

A. The significant accounting policies applied on revenue recognition for the year ended December 31, 2017 are set out below.

(a) Sales of goods

Revenue is measured at the fair value of the consideration received or receivable taking into account of business tax, returns, rebates and discounts for the sale of goods to external customers in the ordinary course of the Group's activities. Revenue arising from the sales of goods is recognised when the Group has delivered the goods to the customer, the amount of sales revenue can be measured reliably and it is probable that the future economic benefits associated with the transaction will flow to the entity. The delivery of goods is completed when the significant risks and rewards of ownership have been transferred to the customer, the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the customer has accepted the goods based on the sales contract or there is objective evidence showing that all acceptance provisions have been satisfied.

(b) Sales of services

Revenue from delivering services is recognised under the percentage-of-completion method when the outcome of services provided can be estimated reliably. The stage of completion of a service contract is measured by the percentage of the actual services performed as of the financial reporting date to the total services to be performed. If the outcome of a service contract cannot be estimated reliably, contract revenue should be recognised only to the extent that contract costs incurred are likely to be recoverable.

B. The revenue of the Group recognised by using above accounting policies for the year ended December 31, 2017 are as follows:

		Year ended December 31, 2017
Marine freight income	$	135,358,310
Ship rental and slottage income		1,545,894
Container manufacturing income		1,659,315
Commission income and agency service income		1,366,761
Container income and others		10,652,412
	$	150,582,692

C. Under IFRS 15, liabilities are recognised as contract liabilities, but were previously presented as other current liabilities-others in the balance sheet, the effects and description of current balance sheet items if the Group continues adopting above accounting policies for the year ended December 31, 2018 are as follows:

	December 31, 2018					
Balance sheet items		Balance by using IFRS 15		Balance by using previous accounting policies		Effects from chages in accounting policy
Contract assets - current	$	2,244,065	$	-	$	2,244,065
Accounts receivable, net		15,013,211		17,257,276	(	2,244,065)
Contract liabilities- current	(	1,774,392)		-	(	1,774,392)
Other current liabilities	(	22,615,978)	(	24,390,370)		1,774,392

There is no impact to the current comprehensive income.

(a) Contracts with customers where services were rendered but not yet billed, were previously presented as accounts receivable on the balance sheet, and are recognised as contract assets in accordance with IFRS 15 ‘Revenue from contracts with customers’.

(b) Contracts with customers in relation to advance service receipt in the previous period are reclassified as contract liabilities in accordance with IFRS 15.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: Please refer to table 4.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 5.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 6.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(2) Information on investees (not including investees in Mainland China)

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 8.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 8.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

14. SEGMENT INFORMATION

(1) General information

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

There is no material change in the basis for formation of entities and division of segments in the Group or in the measurement basis for segment information in this period.

(2) Segment information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	Year ended December 31, 2018			
	Transportation Department	Other Departments	Adjustments and written-off	Total
Revenue from external customers	$ 168,729,952	$ 506,701	$ -	$ 169,236,653
Revenue from internal customers	25,809,049	-	(25,809,049)	-
Segment revenue	194,539,001	506,701	(25,809,049)	169,236,653
Interest income	538,144	25,460	-	563,604
Interest expense	(1,873,692)	(6,732)	-	(1,880,424)
Depreciation and amortisation	(8,659,957)	(212,931)	-	(8,872,888)
Share of income (loss) of associates and joint ventures accounted for using equity method	1,602,737	(848,390)	-	754,347
Other items	(158,122,183)	(483,705)	-	(158,605,888)
Segment profit (loss)	$ 28,024,050	($ 1,019,597)	($ 25,809,049)	$ 1,195,404
Recognizable assets	$ 192,189,335	$ 8,557,452	$ -	$ 200,746,787
Investments accounted for using equity method	21,780,248	6,484,920	-	28,265,168
Segment assets	$ 213,969,583	$ 15,042,372	$ -	$ 229,011,955
Segment liabilities	$ 156,893,418	$ 1,150,701	$ -	$ 158,044,119

	Year ended December 31, 2017			
	Transportation Department	Other Departments	Adjustments and written-off	Total
Revenue from external customers	$ 148,746,685	$ 1,836,007	$ -	$ 150,582,692
Revenue from internal customers	17,503,128	-	(17,503,128)	-
Segment revenue	166,249,813	1,836,007	(17,503,128)	150,582,692
Interest income	417,798	19,156	-	436,954
Interest expense	(1,336,931)	(43,785)	-	(1,380,716)
Depreciation and amortisation	(7,410,359)	(319,715)	-	(7,730,074)
Share of income (loss) of associates and joint ventures accounted for using equity method	1,401,092	1,082,503	-	2,483,595
Other items	(135,361,899)	(1,583,003)	-	(136,944,902)
Segment profit (loss)	$ 23,959,514	$ 991,163	($ 17,503,128)	$ 7,447,549
Recognizable assets	$ 168,476,948	$ 4,819,923	$ -	$ 173,296,871
Investments accounted for using equity method	19,745,077	7,037,949	-	26,783,026
Segment assets	$ 188,222,025	$ 11,857,872	$ -	$ 200,079,897
Segment liabilities	$ 131,942,538	$ 1,448,569	$ -	$ 133,391,107

(3) Reconciliation for segment income (loss)

A. Sales between segments are carried out at arm's length. The revenue from external parties reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.

B. The amounts provided to the chief operating decision-maker with respect to total assets are measured in a manner consistent with that in the balance sheet.

C. The amounts provided to the chief operating decision-maker with respect to total liabilities are measured in a manner consistent with that in the balance sheet.

D. The amounts provided to the chief operating decision-maker with respect to segment profit (loss) are measured in a manner consistent with the income (loss) before tax from continuing operations.

(4) Trading information

	Year ended December 31, 2018		Year ended December 31, 2017	
Service routes	Amount	% of Account Balance	Amount	% of Account Balance
North America	$ 65,814,288	43	$ 52,789,741	39
Europe	32,141,861	21	37,900,327	28
Asia	33,672,426	22	29,778,828	22
Others	21,427,908	14	14,889,414	11
	$ 153,056,483	100	$ 135,358,310	100

(5) Geographical information

	Year ended December 31, 2018		Year ended December 31, 2017	
Service routes	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	$ 31,626,116	$ 37,861,813	$ 26,534,097	$ 32,260,172
America	77,426,330	32,747,591	66,722,280	28,478,053
Europe	49,069,897	37,558,867	53,904,721	38,404,276
Asia	10,516,436	22,086,161	2,890,167	10,104,135
Others	597,874	7,496	531,427	8,122
	$ 169,236,653	$ 130,261,928	$ 150,582,692	$ 109,254,758

(6) Major customer information

The Group provides services to customers all over the world. No single customer of the Group accounts for more than 10% of the Group's operating revenues.

Evergreen Marine Corporation (Taiwan) Ltd.
Loans to others
For the year ended December 31, 2018

Table 1

Expressed in thousands of NTD

Number (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2018 (Note 3)	Balance at December 31, 2018 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
1	Peony Investment S.A.	Luanta Investment (Netherlands) N.V.	Receivables from related parties	Yes	$ 76,426	$ 43,055	$ 43,055	3.4149~3.6056	2	$ -	Working capital requirement	$ -	None	$ -	$ 5,778,585	$ 14,446,463	
1	Peony Investment S.A.	Clove Holding Ltd.	Receivables from related parties	Yes	712,103	707,331	618,145	3.3149~3.6038	2	-	Working capital requirement	-	None	-	11,557,170	14,446,463	(Note 9)
2	Clove Holding Ltd.	Whitney Equipment LLC.	Receivables from related parties	Yes	92,883	92,261	92,261	3.3981	2	-	Working capital requirement	-	None	-	1,101,187	1,376,484	(Note 9)
2	Clove Holding Ltd.	Colon Container Terminal S.A.	Receivables from related parties	Yes	371,532	369,042	295,234	3.4149~3.6063	2	-	Working capital requirement	-	None	-	550,594	1,376,484	
3	Evergreen Marine (Hong Kong) Ltd.	Colon Container Terminal S.A.	Receivables from related parties	Yes	83,595	83,034	66,428	3.1694~3.5794	2	-	Working capital requirement	-	None	-	929,558	1,859,117	

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows

(1)The Company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: Fill in the name of account in which the loans are recognised, such as receivables–related parties, current account with stockholders, prepayments, temporary payments, etc.

Note 3: Fill in the maximum outstanding balance of loans to others during the year ended December 31, 2018

Note 4: The column of'Nature of loan' shall fill in 1.'Business transaction' or 2.'Short-term financing'.

Note 5: Fill in the amount of business transactions when nature of the loan is related to business transactions, which is the amount of business transactions occurred between the creditor and borrower in the current period.

Note 6: Fill in purpose of loan when nature of loan is for short-term financing, for example, repayment of loan, acquisition of equipment, working capital, etc.

Note 7: Fill in limit on loans granted to a single party and ceiling on total loans granted as prescribed in the creditor company's "Procedures for Provision of Loans", and state each individual party to which the loans have been provided and the calculation for ceiling on total loans granted in the footnote.

1. According to the Company's credit policy, the total amount of loans granted to a single company should not exceed 20% of the net worth stated in the latest financial statements.

PEONY：USD 939,500*30.7535*20%=5,778,585

Clove Holding Ltd.：USD 89,517*30.7535*20%=550,594

Evergreen Marine (Hong Kong) Ltd.：USD 151,130*30.7535*20%=929,558

The Company held 100% voting shares directly and indirectly in foreign company, that the total amount of loans granted to a single company should not exceed 40% of the net worth stated in the latest financial statements.

PEONY：USD 939,500*30.7535*40%=11,557,170

2. According to the Company's credit policy, the total amount of loans granted should not exceed 40% of the net worth stated in the latest financial statements.

Clove Holding Ltd.：USD 89,517*30.7535*40%=1,101,187

Evergreen Marine (Hong Kong) Ltd.：USD 151,130*30.7535*40%=1,859,117

The Company held 100% voting shares directly and indirectly in foreign company, that the total amount of loans granted should not exceed 50% of the net worth stated in the latest financial statements.

PEONY：USD 939,500*30.7535*50%=14,446,463

Clove Holding Ltd.：USD 89,517*30.7535*50%=1,376,484

Note 8: The amounts of funds to be loaned to others which have been approved by the Board of Directors of a public company in accordance with Article 14, Item 1 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet been appropriated. However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment. In addition, if the Board of Directors of a public company has authorized the Chairman to loan funds in instalments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", the published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the Board of Directors, and these lines of loaning should not be excluded from this balance even though the loans are repaid subsequently, for taking into consideration that they could be loaned again thereafter.

Note 9: This transaction was written off when the consolidated financial statements were prepared.

Evergreen Marine Corporation (Taiwan) Ltd.

Provision of endorsements and guarantees to others

For the year ended December 31, 2018

Table 2

Expressed in thousands of NTD

Number (Note 1)	Endorser/Guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarntees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2018 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2018 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
0	Evergreen Marine Corporation	Greencompass Marine S.A.	2	$ 133,688,460	$ 47,652,627	$ 43,599,149	$ 25,800,522	$ -	65.22%	$ 167,110,575	Y	N	N	
0	Evergreen Marine Corporation	Peony Investment S.A.	2	133,688,460	154,805	153,768	-	-	0.23%	167,110,575	Y	N	N	
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	2	133,688,460	38,039,795	34,190,847	29,061,383	-	51.15%	167,110,575	Y	N	N	
0	Evergreen Marine Corporation	Whitney Equipment LLC.	2	133,688,460	237,641	154,042	149,651	-	0.23%	167,110,575	Y	N	N	
0	Evergreen Marine Corporation	Colon Container Terminal S.A.	6	33,422,115	2,253,961	2,238,855	2,238,855	-	3.35%	167,110,575	N	N	N	
0	Evergreen Marine Corporation	Balsam Investment (Netherlands) N.V.	6	33,422,115	910,253	904,153	881,549	-	1.35%	167,110,575	N	N	N	
0	Evergreen Marine Corporation	Everport Terminal Services Inc.	2	133,688,460	1,745,064	1,627,942	1,395,973	-	2.44%	167,110,575	Y	N	N	
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	2	133,688,460	20,878,199	20,691,893	11,295,851	-	30.96%	167,110,575	Y	N	N	

Evergreen Marine Corporation (Taiwan) Ltd.

Provision of endorsements and guarantees to others

For the year ended December 31, 2018

Table 2

Expressed in thousands of NTD

Number (Note 1)	Endorser/Guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarntees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2018 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2018 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
1	Evergreen Marine (Hong Kong) Ltd.	Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd.	2	$ 9,295,583	$ 134,910	$ 71,662	$ 35,633	$ -	1.54%	$ 11,619,479	N	N	Y	
1	Evergreen Marine (Hong Kong) Ltd.	Colon Container Terminal S.A.	6	2,323,896	507,141	503,742	503,742	-	10.84%	11,619,479	N	N	N	
2	Master International Shipping Agency Co., Ltd.	Ever Shine (Shenzhen) Enterprise Management Consulting Co., Ltd.	1	81,691	76,987	76,987	76,987	-	94.24%	204,228	N	N	Y	

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

(1)The Company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories; fill in the number of category each case belongs to:

(1) Having business relationship.

(2) The endorser/guarantor parent company directly and indirectly owns more than 50% voting shares of the endorsed/guaranteed company.

(3) The endorsed/guaranteed parent company directly and indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.

(4) The parent company directly or indirectly owns more than 90% voting shares of the companies that make endorsements/guarantees for each other.

(5) The parent company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.

(6) Due to joint venture, all capital contributing shareholders make endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

(7) Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: Fill in limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor company's "Procedures for Provision of Endorsements and Guarantees", and state each individual party to which the endorsements/guarantees have been provided and the calculation for ceiling on total amount of endorsements/guarantees provided in the footnote.

The calculation is as follows:

The Company: 66,844,230*250% = 167,110,575

Limit on endorsement or guarantees provided by the Company for a single entity is $33,422,115 (Amounting to 50% of its net worth).

When the Company owns more than 50% voting shares of the endorsed/guaranteed company, the limit on endorsement or guarantee provided by the Company should not exceed 200% of its net worth, which equals to $133,688,460.

According to the credit policy of Evergreen Marine (Hong Kong) Ltd., the calculation for total amount of endorsements/guarantees is as follows:

Ceiling on total amount of endorsements/guarantees: USD 151,130*30.7535*250% = 11,619,479

Limit on endorsements or guarantees provided for a single entity：USD 151,130*30.7535*50% = 2,323,896

When the Company owns more than 50% voting shares of the endorsed/guaranteed company, the limit on endorsement or guarantee provided by the Company should not exceed 200% of its net worth, which equals to $9,295,583.

Ceiling on total amount of endorsements/guarantees of Master International Shipping Agency Co. : CNY 18,239*4.4789*250% = 204,228

Limit on endorsements or guarantees provided for a single entity of Master International Shipping Agency Co.：CNY 18,239*4.4789*100%=81,691 (100% of its net worth)

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: Fill in the amount approved by the Board of Directors or the chariman if the chairman has been authorised by the Board of Directors.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary, provision by subsidiary to listed parent company, and provision to the party in Mainland China.

Evergreen Marine Corporation (Taiwan) Ltd.

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

For the year ended December 31, 2018

Table 3

ressed in thousands of shares/thousands of NTD/thousands of foreign currency

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	Genearl ledger account	As of December 31, 2018				Footnote (Note 4)
				Number of shares	Book value (Note 3)	Ownership (%)	Fair value	
Evergreen Marine Corporation	Stock:							
	Power World Fund Inc.		Financial asset measured at fair value through other comprehensive income - non-current	677	$ 6,772	5.68%	$ 6,772	
	Linden Technologies, Inc.		〃	50	40,423	1.44%	40,423	
	TopLogis, Inc.		〃	2,464	18,906	17.48%	18,906	
	Ever Accord Construction Corp.	Other related party	〃	9,317	105,258	17.50%	105,258	
	Central Reinsurance Corp.		〃	49,866	850,223	8.45%	850,223	
	Financial bonds:							
	Sunny Bank 2nd Subordinate Financial Debentures-B Issue in 2015		Financial asset measured at atmortised cost - non-current	-	50,000	-	50,000	
	Sunny Bank 3rd Subordinate Financial Debentures-B Issue in 2017		〃	-	50,000	-	50,000	
Peony Investment S.A.	Hutchison Inland Container Depots Ltd.		Financial asset measured at fair value through other comprehensive income - non-current	0.75	USD 209	7.50	USD 209	
	South Asia Gateway Terminals (Private) Ltd.		〃	18,942	USD 20,226	5.00	USD 20,226	
Evergreen Shipping Agency (Europe) GmbH	Zoll Pool Hafen Hamburg AG		〃	10	EUR 10	2.86	EUR 10	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS9, 'Financial instruments: recognition and measurement'.

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

Evergreen Marine Corporation (Taiwan) Ltd.

Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital

For the year ended December 31, 2018

Table 4

Expressed in thousands of shares/thousands of NTD

Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Balance as at January 1, 2018		Addition (Note 3)		Disposal (Note 3)				Balance as at December 31, 2018	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
Evergreen Marine Corporation	Stock:													
	Taiwan HSR Consortium	Financial asset measured at fair value through other comprehensive income - non-current			13,356	$ 329,329	-	$ -	13,356	$ 342,661	$ 329,329	$ 13,332	-	$ -

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Fill in the columns the counterparty and relationship if securities are accounted for under the equity method; otherwise leave the columns blank.

Note 3: Aggregate purchases and sales amounts should be calculated separately at their market values to verify whether they individually reach NT$300 million or 20% of paid-in capital or more.

Note 4: Paid-in capital referred to herein is the paid-in capital of parent company.

Evergreen Marine Corporation (Taiwan) Ltd.

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

For the year ended December 31, 2018

Table 5

Expressed in thousands

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/ sales	Amount	Percentage of total purchases/ sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Evergreen Marine Corporation	Everport Terminal Services Inc.	Subsidiary	Purchases	$ 1,455,870	4%	30~60 days	$ -	-	($ 68,256)	1%	(Note)
	Greencompass Marine S.A.	Indirect subsidiary of the Company	Purchases	1,580,488	5%	30~60 days	-	-	(20,659)	-	(Note)
			Sales	1,497,882	4%	30~60 days	-	-	7,782	-	(Note)
	Taiwan Terminal Services Co., Ltd.	Subsidiary	Purchases	893,918	3%	30~60 days	-	-	(79,666)	2%	(Note)
	Italia Marittima S.p.A.	Associates	Purchases	370,150	1%	30~60 days	-	-	-	-	
			Sales	408,890	1%	30~60 days	-	-	8,445	-	
	Evergreen International Storage and Transport Corp.	Associates	Purchases	410,325	1%	30~60 days	-	-	(20,660)	-	
	Evergreen Shipping Agency (America) Corporation	Other related parties	Purchases	363,380	1%	30~60 days	-	-	-	-	
	Evergreen International Corp.	Other related parties	Purchases	449,731	1%	30~60 days	-	-	(2,390)	-	
			Sales	1,739,984	5%	30~60 days	-	-	33,363	1%	
	Evergreen Marine (UK) Limited	Indirect subsidiary of the Company	Purchases	250,536	1%	30~60 days	-	-	(110)	-	(Note)
			Sales	729,254	2%	30~60 days	-	-	9,549	-	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Purchases	181,192	1%	30~60 days	-	-	-	-	
			Sales	1,085,215	3%	30~60 days	-	-	11,453	-	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary	Sales	112,920	-	30~60 days	-	-	1,751	-	(Note)
			Purchases	577,182	2%	30~60 days	-	-	-	-	(Note)

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/ sales	Amount	Percentage of total purchases/ sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Evergreen Marine Corporation	Gaining Enterprise S.A.	Other related parties	Purchases	$ 1,365,732	4%	30~60 days	$ -	-	$ -	-	
	Taipei Port Container Terminal Corp.	Associates	Purchases	107,467	-	30~60 days	-	-	-	-	
Taiwan Terminal Services Co.,Ltd.	Evergreen Marine Corp.	The parent	Sales	893,918	100%	30~60 days	-	-	79,666	99%	(Note)
Everport Terminal Services Inc.	Evergreen Marine Corp.	The parent	Sales	USD 48,254	11%	30~60 days	-	-	USD 2,219	6%	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 76,497	17%	30 days	-	-	USD 4,825	13%	
	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	USD 43,105	10%	30 days	-	-	USD 2,226	6%	(Note)
	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	USD 121,382	27%	30 days	-	-	USD 5,916	16%	(Note)
	Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Sales	USD 12,707	3%	30 days	-	-	USD 858	2%	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	USD 8,937	2%	30 days	-	-	USD 440	1%	(Note)
	Evergreen Shipping Agency (America) Corporation	Investee of the Parent Company's major shareholder	Purchases	USD 8,745	2%	30 days	-	-	-	-	
Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine Corp.	The parent	Sales	USD 19,130	5%	30~60 days	-	-	-	-	(Note)
			Purchases	USD 3,743	1%	30~60 days	-	-	(USD 57)	-	(Note)
	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	USD 32,710	9%	30~60 days	-	-	-	-	(Note)
			Purchases	USD 7,686	2%	30~60 days	-	-	-	-	(Note)
	Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Sales	USD 6,667	2%	30~60 days	-	-	-	-	
			Purchases	USD 5,813	2%	30~60 days	-	-	-	-	
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 7,325	2%	30~60 days	-	-	-	-	
			Purchases	USD 9,928	3%	30~60 days	-	-	(USD 14)	-	

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/ sales	Amount	Percentage of total purchases/ sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Evergreen Marine (Hong Kong) Ltd.	Evergreen International Corp.	Investee of the Parent Company's major shareholder	Sales	USD 10,535	3%	30~60 days	$ -	-	USD 903	1%	
			Purchases	USD 11,723	4%	30~60 days	-	-	-	-	
	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	USD 8,761	2%	30~60 days	-	-	USD 130	-	(Note)
			Purchases	USD 29,271	9%	30~60 days	-	-	(USD 102)	-	(Note)
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 8,937	3%	30 days	-	-	(USD 440)	1%	(Note)
	Master International Shipping Agency Co., Ltd.	Indirect subsidiary of the Parent Company	Purchases	USD 3,538	1%	30~60 days	-	-	(USD 3,538)	5%	(Note)
Greencompass Marine S.A.	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	USD 53,300	2%	30~60 days	-	-	USD 1,183	-	(Note)
			Purchases	USD 32,095	1%	30~60 days	-	-	(USD 382)	-	(Note)
	Evergreen Marine Corp.	The parent	Sales	USD 52,384	2%	30~60 days	-	-	USD 672	-	(Note)
			Purchases	USD 49,646	2%	30~60 days	-	-	(USD 253)	-	(Note)
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 43,105	2%	30 days	-	-	(USD 2,226)	1%	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 85,897	3%	30~60 days	-	-	USD 2,214	1%	
			Purchases	USD 23,702	1%	30~60 days	-	-	(USD 443)	-	
	Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Sales	USD 31,255	1%	30~60 days	-	-	-	-	
			Purchases	USD 46,437	2%	30~60 days	-	-	-	-	
	Evergreen Shipping Agency (America) Corporation	Investee of the Parent Company's major shareholder	Purchases	USD 19,432	1%	30~60 days	-	-	-	-	
	Evergreen International Corp.	Investee of the Parent Company's major shareholder	Purchases	USD 12,860	-	30~60 days	-	-	(USD 1,055)	-	
	Evergreen Shipping Agency (Japan)	Investee of the Parent Company's major shareholder	Purchases	USD 6,581	-	30~60 days	-	-	-	-	
	Evergreen Shipping Agency (Europe) GmbH	Indirect subsidiary of the Parent Company	Purchases	USD 14,589	1%	30~60 days	-	-	-	-	(Note)

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/ sales	Amount	Percentage of total purchases/ sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Greencompass Marine S.A.	Evergreen Insurance Company Limited	Investee of the Parent Company's major shareholder	Purchases	USD 5,094	-	30~60 days	$ -	-	(USD 938)	-	
	Evergreen Marine Co. (Malaysia) SDN.BHD.	Indirect subsidiary of the Parent Company	Purchases	USD 5,446	-	30~60 days	-	-	-	-	(Note)
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	USD 7,686	-	30~60 days	-	-	-	-	(Note)
			Purchases	USD 32,710	1%	30~60 days	-	-	-	-	(Note)
	PT. Evergreen Shipping Agency Indonesia	Investee of Peony Investment S.A.	Purchases	USD 3,607	0%	30~60 days	-	-	-	-	
Evergreen Marine (UK) Limited	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	USD 32,095	2%	30~60 days	-	-	USD 382	-	(Note)
			Purchases	USD 53,300	3%	30~60 days	-	-	(USD 1,183)	1%	(Note)
	Evergreen Marine Corp.	The Parent	Sales	USD 8,304	-	30~60 days	-	-	USD 4	-	(Note)
			Purchases	USD 24,171	1%	30~60 days	-	-	(USD 310)	-	(Note)
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 121,382	7%	30 days	-	-	(USD 5,916)	3%	(Note)
	Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Sales	USD 12,041	1%	30~60 days	-	-	USD 367	-	
			Purchases	USD 17,127	1%	30~60 days	-	-	(USD 364)	-	
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 26,722	2%	30~60 days	-	-	USD 673	-	
			Purchases	USD 9,030	1%	30~60 days	-	-	(USD 526)	-	
	Evergreen Shipping Agency (America) Corporation	Investee of the Parent Company's major shareholder	Purchases	USD 28,699	2%	30~60 days	-	-	-	-	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	USD 29,271	2%	30~60 days	-	-	USD 102	-	(Note)
			Purchases	USD 8,761	1%	30~60 days	-	-	(USD 130)	-	(Note)
	Evergreen International Corp.	Investee of the Parent Company's major shareholder	Purchases	USD 8,310	-	30~60 days	-	-	(USD 226)	-	
	Evergreen Insurance Company Limited	Investee of the Parent Company's major shareholder	Purchases	USD 4,167	-	30~60 days	-	-	-	-	

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/ sales	Amount	Percentage of total purchases/ sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Evergreen Marine (UK) Limited	Evergreen Shipping Agency (Europe) GmbH	Indirect subsidiary of the Parent Company	Purchases	USD 6,671	-	30~60 days	$ -	-	$ -	-	(Note)
Evergreen Heavy Industrial Corp.(Malaysia) Berhad	Gaining Enterprise S.A.	Investee of EITC	Sales	MYR 64,925	21%	45 days	-	-	-	-	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	MYR 249,169	79%	45 days	-	-	MYR 49,931	100%	(Note)
Evergreen Shipping Agency (Europe) GmbH	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	EUR 12,354	34%	30~60 days	-	-	-	-	(Note)
	Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Sales	EUR 4,813	13%	30~60 days	-	-	EUR 434	1%	
	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	EUR 5,649	15%	30~60 days	-	-	-	-	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	EUR 9,921	27%	30~60 days	-	-	EUR 892	2%	
Master International Shipping Agency Co. Ltd.	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	CNY 23,434	96%	30~60 days			CNY 24,295	100%	(Note)

Note: This transaction was written off when the consolidated financial statements were prepared.

Note 1: If terms of related-party transactions are different from third-party transactions, explain the differences and reasons in the 'Unit price' and 'Credit term' columns.

Note 2: In case related-party transaction terms involve advance receipts (prepayments) transactions, explain in the footnote the reasons, contractual provisions, related amounts, and differences in types of transactions compared to third-party transactions.

Note 3: Paid-in capital referred to herein is the paid-in capital of parent company.

Evergreen Marine Corporation (Taiwan) Ltd.
Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more
December 31, 2018

Table 6

Expressed in thousands of NTD/thousands of foreign currency

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2018 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts	Footnote
					Amount	Action taken			
Evergreen Marine Corp.	Evergreen International Corporation	Investee of the Company's major shareholder	$ 212,956	-	$ -	-	$ 211,519	$ -	
Peony Investment S.A.	Clove Holding Ltd. (Note)	Subsidiary	USD 20,194	-	-	-	-	-	Note
Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Evergreen Marine (Hong Kong) Ltd.	Investee of the Parent Company's major shareholder	MYR 49,931	-	-	-	MYR 49,931	-	Note
Clove Holding Ltd.	Colon Container Terminal, S.A.	Investee of Clove Holding Ltd. accounted for using equity method	USD 9,689	-	-	-	-	-	

Note: This transaction was written off when the consolidated financial statements were prepared.
Note 1: Fill in separately the balances of accounts receivable–related parties, notes receivable–related parties, other receivables–related parties, etc.
Note 2: Paid-in capital referred to herein is the paid-in capital of parent company.

Evergreen Marine Corporation (Taiwan) Ltd.
Significant inter-company transactions during the reporting periods
For the year ended December 31, 2018

Table 7

Expressed in thousands of NTD

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Evergreen Marine Corporation	Taiwan Terminal Services Co.,Ltd.	1	Operating cost	$ 893,918	Note 4	0.53
0	Evergreen Marine Corporation	Greencompass Marine S.A.	1	Shipowner's account - debit	114,568	"	0.05
0	Evergreen Marine Corporation	Greencompass Marine S.A.	1	Operating revenue	1,497,882	"	0.89
0	Evergreen Marine Corporation	Greencompass Marine S.A.	1	Operating cost	1,580,488	"	0.93
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	1	Shipowner's account - debit	675,749	"	0.30
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	1	Operating revenue	729,254	"	0.43
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	1	Operating cost	250,536	"	0.15
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	1	Shipowner's account - credit	613,053	"	0.27
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	1	Operating revenue	112,920	"	0.07
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	1	Operating cost	577,182	"	0.34
0	Evergreen Marine Corporation	Everport Terminal Services Inc.	1	Operating cost	1,455,870	"	0.86
1	Greencompass Marine S.A.	Evergreen Marine (UK) Limited	3	Shipowner's account - debit	354,342	"	0.15
1	Greencompass Marine S.A.	Evergreen Marine (Hong Kong) Ltd.	3	Operating cost	986,885	"	0.58
1	Greencompass Marine S.A.	Everport Terminal Services Inc.	3	Operating cost	1,300,513	"	0.77
1	Greencompass Marine S.A.	Evergreen Marine Corp. (Malaysia) SDN BHD	3	Operating cost	164,311	"	0.10
2	Evergreen Marine (UK) Limited	Greencompass Marine S.A.	3	Operating revenue	968,342	"	0.57
2	Evergreen Marine (UK) Limited	Greencompass Marine S.A.	3	Operating cost	1,608,121	"	0.95
2	Evergreen Marine (UK) Limited	Evergreen Marine (Hong Kong) Ltd.	3	Operating revenue	883,133	"	0.52
2	Evergreen Marine (UK) Limited	Evergreen Marine (Hong Kong) Ltd.	3	Operating cost	264,318	"	0.16
2	Evergreen Marine (UK) Limited	Everport Terminal Services Inc.	3	Operating cost	3,662,221	"	2.16
2	Evergreen Marine (UK) Limited	Everport Terminal Services Inc.	3	Account payable	181,951	"	0.08
3	Evergreen Heavy Industrial Co., (Malaysia) Berhad	Evergreen Marine (Hong Kong) Ltd.	3	Operating revenue	1,861,135	"	1.10
3	Evergreen Heavy Industrial Co., (Malaysia) Berhad	Evergreen Marine (Hong Kong) Ltd.	3	Account receivables	369,255	"	0.16

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
4	Evergreen Marine (Hong Kong) Ltd.	Greencompass Marine S.A.	3	Operating cost	$ 231,885	Note 4	0.14
4	Evergreen Marine (Hong Kong) Ltd.	Greencompass Marine S.A.	3	Shipowner's account - credit	325,710	"	0.14
4	Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine (UK) Limited	3	Shipowner's account - credit	234,668	"	0.10
4	Evergreen Marine (Hong Kong) Ltd.	Everport Terminal Services Inc.	3	Operating cost	269,625	"	0.16
4	Evergreen Marine (Hong Kong) Ltd.	Master International Shipping Agency Co., Ltd.	3	Account payable	108,813	"	0.05
5	Master International Shipping Agency Co., Ltd.	Evergreen Marine (Hong Kong) Ltd.	3	Operating revenue	106,357	"	0.06
6	Peony Investment S.A.	Clove Holding Ltd.	3	Other receivables	621,046	"	0.27
7	Evergreen Shipping Agency (Europe) GmbH	Greencompass Marine S.A.	3	Operating revenue	415,318	"	0.25
7	Evergreen Shipping Agency (Europe) GmbH	Greencompass Marine S.A.	3	Shipowner's account - credit	385,266	"	0.17
7	Evergreen Shipping Agency (Europe) GmbH	Evergreen Marine (UK) Limited	3	Operating revenue	199,075	"	0.12
7	Evergreen Shipping Agency (Europe) GmbH	Evergreen Marine (Hong Kong) Ltd.	3	Shipowner's account - credit	188,978	"	0.08

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; Fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1) Parent company to subsidiary.

(2) Subsidiary to parent company

(3) Subsidiary to subsidiary

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Terms are approximately the same as for general transactions.

Note 5: The Company may decide whether or not to disclose transaction details in this table based on the Materiality Principle.

Evergreen Marine Corporation (Taiwan) Ltd.

Information on investees (not including investee company of Mainland China)

For the year ended December 31, 2018

Table 8

Expressed in thousands of shares/thousands of NTD

Investor	Investee (Note 1)	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2018			Net profit (loss) of the investee For the year ended December 31, 2018 (Note 1(2))	Investment income (loss) recognised by the Company For the year ended December 31, 2018 (Note 1(3))	Footnote
				Balance as of December 31, 2018	Balance as of December 31, 2017	Number of shares	Ownership (%)	Book value			
Evergreen Marine Corp.	Peony Investment S.A.	Republic of Panama	Investment activities	$ 14,654,043	$ 14,654,043	4,765	100.00	$ 28,732,006	($ 1,888,994)	($ 1,896,945)	Subsidiary of the Company (Note)
	Taiwan Terminal Services Co., Ltd.	Taiwan	Loading and discharging operations of container yards	55,000	55,000	5,500	55.00	53,286	27,476	15,112	〃
	Everport Terminal Services Inc.	U.S.A	Terminal services	3,075	3,075	1	94.43	1,047,007	553,979	523,115	〃
	Evergreen Marine (Hong Kong) Ltd.	Hong Kong	Marine transportation	6,438,245	6,438,245	6,320	79.00	7,218,598	979,323	773,665	〃
	Charng Yang Development Co.,Ltd.	Taiwan	Development, rental, sale of residential and commercial buildings	320,000	320,000	58,542	40.00	544,057	171,613	68,645	Investee accounted for using equity method
	Evergreen International Storage and Transport Corporation	Taiwan	Container transportation and gas stations	4,840,408	4,753,514	430,692	40.36	8,884,659	863,837	348,173	〃
	Evergreen Security Corporation	Taiwan	General security guards services	25,000	25,000	6,336	31.25	111,665	49,790	15,560	〃
	EVA Airways Corporation	Taiwan	International passengers and cargo transportation	10,767,879	10,767,879	714,825	16.31	10,334,116	6,552,827	1,068,918	〃
	Taipei Port Container Terminal Corporation	Taiwan	Container distribution and cargo stevedoring	1,094,073	1,094,073	109,378	21.03	1,026,338	234,439	49,312	〃
	Evergreen Marine (Latin America), S.A.	Republic of Panama	Management consultancy	3,229	3,229	105	17.50	3,474	1,371	240	〃
	VIP Greenport Joint Stock Company	Vietnam	Terminal services	178,750	178,750	13,750	21.74	253,667	219,747	47,771	〃
Peony Investment S.A.	Clove Holding Ltd.	British Virgin Islands	Investment holding company	1,616,074	1,616,074	10	100.00	2,752,969	42,847	42,847	Indirect subsidiary of the Company (Note)
	Evergreen Shipping Agency (Europe) GmbH	Germany	Shipping agency	255,746	255,746	-	100.00	299,158	17,957	17,957	〃 (Note)
	Evergreen Shipping Agency (Korea) Corporation	South Korea	Shipping agency	74,608	74,608	121	100.00	48,857	12,772	12,772	〃 (Note)
	Evergreen Shipping Agency (Poland) SP. ZO. O	Poland	Shipping agency	-	20,359	2	100.00	-	-	-	〃 (Note)
	Greencompass Marine S.A.	Republic of Panama	Marine transportation	10,871,362	10,871,362	3,535	100.00	15,801,771	(1,334,891)	(1,334,891)	〃 (Note)
	Evergreen Shipping Agency (India) Pvt. Ltd.	India	Shipping agency	36,188	36,188	100	99.99	142,568	45,819	45,818	〃 (Note)
	Evergreen Argentina S.A.	Argentina	Leasing	4,305	4,305	150	95.00	970	(7,407)	(7,037)	〃 (Note)

Investor	Investee (Note 1)	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2018			Net profit (loss) of the investee For the year ended December 31, 2018 (Note 1(2))	Investment income (loss) recognised by the Company For the year ended December 31, 2018 (Note 1(3))	Footnote
				Balance as of December 31, 2018	Balance as of December 31, 2017	Number of shares	Ownership (%)	Book value			
Peony Investment S.A.	PT. Multi Bina Pura International	Indonesia	Loading and discharging operations of container yards and inland transportation	$ 241,137	$ 241,137	17	95.03	$ 502,803	$ 114,147	$ 108,473	Indirect subsidiary of the Company (Note)
	PT. Multi Bina Transport	Indonesia	Container repair, cleaning and inland transportation	24,735	24,735	2	17.39	14,248	5,914	1,028	〃 (Note)
	Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Malaysia	Container manufacturing	839,412	839,412	42,120	84.44	1,002,482	53,652	45,304	〃 (Note)
	Armand Investment (Netherlands) N.V.	Curacao	Investment holding company	354,050	354,050	4	70.00	323,664	20,198	14,139	〃 (Note)
	Evergreen Shipping (Spain) S.L.	Spain	Shipping agency	207,442	207,442	6	100.00	236,380	151,681	151,681	〃 (Note)
	Evergreen Shipping Agency (Italy) S.p.A.	Italy	Shipping agency	72,332	72,332	0.55	55.00	91,804	70,370	38,704	〃 (Note)
	Evergreen Marine (UK) Limited	U.K	Marine transportation	4,124,126	2,555,697	765	51.00	1,529,399	(1,333,238)	(679,951)	〃 (Note)
	Evergreen Shipping Agency (Australia) Pty. Ltd.	Australia	Shipping agency	52,539	7,599	1	100.00	124,808	125,187	84,501	〃 (Note)
	Evergreen Shipping Agency (Russia) Ltd.	Russia	Shipping agency	26,079	26,079	-	51.00	19,007	73,185	37,324	〃 (Note)
	Evergreen Shipping Agency (Singapore) Pte. Ltd.	Singapore	Shipping agency	-	66,335	765	51.00	-	-	-	〃 (Note)
	Evergreen Shipping Agency (Thailand) Co., Ltd.	Thailand	Shipping agency	68,980	61,199	680	85.00	105,232	78,830	67,005	〃 (Note)
	Evergreen Agency (South Africa) (Pty) Ltd.	South Africa	Shipping agency	17,868	17,868	5,500	55.00	100,350	127,945	70,370	〃 (Note)
	Evergreen Shipping Agency (Vietnam) Corp.	Vietnam	Shipping agency	37,858	13,962	-	100.00	167,404	138,967	138,967	〃 (Note)
	PT. Evergreen Shipping Agency Indonesia	Indonesia	Shipping agency	29,923	29,923	0.441	49.00	123,188	99,136	48,577	Investee company of Peony accounted for using equity method
	Luanta Investment (Netherlands) N.V.	Curaçao	Investment holding company	1,461,999	1,453,949	460	50.00	1,933,827	(12,120)	(6,060)	〃
	Balsam Investment (Netherlands) N.V.	Curaçao	Investment holding company	12,091,859	11,639,782	0.451	49.00	658,599	(2,207,677)	(1,081,762)	〃
	Green Peninsula Agencies SDN. BHD.	Malaysia	Investment holding company	223,117	223,117	24	30.00	65	(380)	(114)	〃
	Evergreen Shipping Agency Co. (U.A.E.) LLC	United Arab Emirates	Shipping agency	64,029	64,029	-	49.00	78,903	80,200	39,298	〃
	Greenpen Properties Sdn. Bhd.	Malaysia	Renting estate and storehouse company	13,102	13,102	1,500	30.00	41,527	14,145	4,243	〃
	Evergreen Marine Corp. (Malaysia) SDN.BHD.	Malaysia	Shipping agency	289,519	3,788	500	100.00	592,961	250,142	250,142	Indirect subsidiary of the Company (Note)
	Evergreen Marine (Hong Kong) Ltd.	Hong Kong	Marine transportation	81,497	81,497	80	1.00	91,375	979,323	9,793	Investee company of Peony accounted for using equity method (Note)

Investor	Investee (Note 1)	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2018			Net profit (loss) of the investee For the year ended December 31, 2018 (Note 1(2))	Investment income (loss) recognised by the Company For the year ended December 31, 2018 (Note 1(3))	Footnote
				Balance as of December 31, 2018	Balance as of December 31, 2017	Number of shares	Ownership (%)	Book value			
Peony Investment S.A.	Ics Depot Services Snd. Bhd.	Malaysia	Depot services	$ 34,259	$ -	286	28.65	$ 60,962	$ 49,639	$ 6,591	Investee company of Peony accounted for using equity method (Note)
Armand Investment (Netherlands) N.V.	Armand Estate B.V.	Netherlands	Investment holding company	520,839	520,839	-	100.00	466,259	20,915	20,915	Indirect subsidiary of the Company (Note)
Armand Estate B.V.	Taipei Port Container Terminal Corporation	Taiwan	Container distribution and cargo stevedoring	50,602	50,602	50,602	9.73	474,046	234,439	22,811	Investee company of Armand Estate B.V. accounted for using equity method
Clove Holding Ltd.	Colon Container Terminal, S.A.	Republic of Panama	Inland container storage and loading	703,025	703,025	22,860	40.00	2,645,712	50,352	20,141	Investee company of Clove Holding Ltd. accounted for using equity method
	Everport Terminal Services Inc.	U.S.A	Terminal services	200,019	-	0.059	5.57	221,434	553,978	30,863	Investee company of Clove Holding Ltd. accounted for using equity method (Note)
Evergreen Marine (UK) Limited	Evergreen Marine (Latin America), S.A.	Republic of Panama	Management consultancy	3,045	3,045	99	16.50	3,275	1,371	226	Investee company of Evergreen Marine (UK) Limited accounted for using equity method
Everport Terminal Services Inc.	Whitney Equipment LLC.	U.S.A	Equipment Leasing Company	6,151	-	-	100.00	192,943	23,716	23,716	Investee company of Everport Terminal Services Inc. accounted for using equity method (Note)
PT. Multi Bina Pura International	PT. Multi Bina Transport	Indonesia	Container repair cleaning and inland transportation	101,530	101,530	8	72.95	59,771	5,914	4,314	Indirect subsidiary of the Company (Note)
Evergreen Marine (Hong Kong) Limited	Colon Container Terminal S.A.	Republic of Panama	Inland container storage and loading	479,755	-	5,143.5	9.00	615,720	50,352	3,666	Investee company of Evergreen Marine (Hong Kong) Limited accounted for using equity method
	Evergreen Marine (Latin America), S.A.	Republic of Panama	Management consultancy	3,045	3,045	99	16.50	3,275	1,371	226	〃
	Evergreen Shipping Service (Cambodia) Co., Ltd.	Cambodia	Shipping agency	6,151	3,998	200	100.00	12,376	6,107	6,107	Indirect subsidiary of the Company (Note)

Investor	Investee (Note 1)	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2018			Net profit (loss) of the investee For the year ended December 31, 2018 (Note 1(2))	Investment income (loss) recognised by the Company For the year ended December 31, 2018 (Note 1(3))	Footnote
				Balance as of December 31, 2018	Balance as of December 31, 2017	Number of shares	Ownership (%)	Book value			
Evergreen Marine (Hong Kong) Limited	Evergreen Shipping Agency (PERU) S.A.C.	Peru	Shipping agency	$ 8,537	$ -	900	60.00	$ 23,570	$ 25,292	$ 15,175	Indirect subsidiary of the Company (Note)
	Evergreen Shipping Agency (Colombia) S.A.S	Colombia	Shipping agency	10,796	0	80	100.00	(574)	(10,981)	(10,981)	〃 (Note)
	Evergreeb Shipping Agency (Mexico) S.A. DE C.V.	Mexico	Shipping agency	7,049	-	44.40	60.00	10,580	5,819	3,491	〃 (Note)
	Evergreeb Shipping Agency (CHILE)SPA.	Chile	Shipping agency	9,805	0	1.5	60.00	17,097	13,135	7,881	〃 (Note)

Note: This transaction was written off when the consolidated financial statements were prepared.

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

(1) The columns of 'Investee', 'Location', 'Main business activities', 'Initial investment amount' and 'Shares held as at December 31, 2018' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column.

(2) The 'Net profit (loss) of the investee For the year ended December 31, 2018' column should fill in amount of net profit (loss) of the investee for this period.

(3) The'Investment income (loss) recognised by the Company For the year ended December 31, 2018' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

Evergreen Marine Corporation (Taiwan) Ltd.

Information on investments in Mainland China

For the year ended December 31, 2018

Table 9

Expressed in thousands of NTD

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2018	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2018		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2018	Net income (loss) of the investee for the year ended December 31, 2018	Ownership held by the Company (direct of indirect) (%)	Investment income (loss) recognised by the Company. For the year ended December 31, 2018 (Note 2(2)B)	Book value of investments in Mainland China as of December 31, 2018	Accumulted amount of investment income remitted back to Taiwan as of December 31, 2018	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Ningbo Victory Container Co., Ltd.	Inland container transportation, container storage, loading, discharging, repair and related activities	$ 559,746	(2)	$ 220,241	$ -	$ -	$ 220,241	$ 25,341	40.00	$ 10,137	$ 277,074	$ -	
Qingdao Evergreen Container Storage & Transportation Co., Ltd.	Inland container transportation, storage, loading, discharging, repair, cleaning and related activities	190,353	(2)	43,575	-	-	43,575	219,369	40.00	87,747	191,016	-	
Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	Inland container transportation, storage, loading, discharging, repair, cleaning and related activities	349,038	(2)	123,014	168,076	-	291,090	28,027	56.00	11,631	246,811	-	(Note)
Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	1,945,977	(2)	2,505,191	-	-	2,505,191	22,555	80.00	(56,013)	3,332,384	-	(Note)
Ever Shine (Ningbo) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	192,593	(2)	277,147	-	-	277,147	(1,239)	80.00	(934)	152,305	-	(Note)
Ever Shine (Shenzhen) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	274,765	(2)	-	482,230	-	482,230	2,813	80.00	(570)	417,532	-	(Note)
Ever Shine (Qingdao) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	222,781	(2)	-	393,103	-	393,103	1,778	80.00	(145)	250,770	-	(Note)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2018	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2018		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2018	Net income (loss) of the investee for the year ended December 31, 2018	Ownership held by the Company (direct of indirect) (%)	Investment income (loss) recognised by the Company. For the year ended December 31, 2018 (Note 2(2)B)	Book value of investments in Mainland China as of December 31, 2018	Accumulted amount of investment income remitted back to Taiwan as of December 31, 2018	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Master International Shipping Agency Co., Ltd.	Inland container transportation, storage, loading, discharging, passenger transportation and related activities	$ 22,395	(2)	$ -	$ 84,904	$ -	$ 84,904	$ 48,085	39.20	$ 1,879	$ 32,023	$ -	(Note)

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2018	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Evergreen Marine Corp.	$ 4,297,481	$ 4,864,612	$ 40,106,538

Note: This transaction was written off when the consolidated financial statements were prepared.

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

(1) Directly invest in a company in Mainland China.

(2) Through investing in an existing company, Peony Investment S.A. and Evergreen Marine (Hong Kong) Ltd., in the third area, which then invested in the investee in Mainland China.

(3) Others

Note 2: In the 'Investment income (loss) recognised by the Company for the year ended December 31, 2018' column:

(1) It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.

(2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:

A. The financial statements that are audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.

B. The financial statements that are audited and attested by R.O.C. parent company's CPA.

C. Others.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.

VI. Parent Company Only Financial Statements and Report of Independent Accountants

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Evergreen Marine Corporation (Taiwan) Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Evergreen Marine Corporation (Taiwan) Ltd. (the "Company") as of December 31, 2018 and 2017, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other independent accountants (please refer to *Other Matter* section of our report), the accompanying financial statements present fairly, in all material respects, the financial position of Evergreen Marine Corporation (Taiwan) Ltd. as of December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" .

Basis for opinion

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China (ROC GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained along with the report of other independent auditors are sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

The key audit matters of the parent company only financial statements for the year ended December 31, 2018 are as follows:

Accuracy of freight revenue and appropriate use of cut-off

Description

Please refer to Note 4(30) for accounting policy on revenue recognition, Note 5(2) for uncertainty of accounting estimates and assumptions applied on revenue recognition, and Note 6(20) for details of sales revenue, Note 6(7) for details of investments accounted for using equity method, and Table 8 for information on investees accounted for using equity method.

The Company, the Company's directly held subsidiary, Peony Investment S.A., which is recognised in investments accounted for using equity method, and the subsidiary, Evergreen Marine (Hong Kong) Ltd., which is directly and indirectly held an 80% equity interest by the Company, primarily engages in global container shipping service covering ocean-going and near-sea shipping line, shipping agency business as well as container freight station business. Since ocean-going shipping often lasts for several days, voyages are sometimes completed after the balance sheet date. Also, demands for freight are consistently sent by forwarders during voyage. Due to the factors mentioned above, freight revenue is recognized under the percentage-of-completion method for each vessel of which the service has been provided during the reporting period.

Despite the Company and its investee companies conducting business worldwide, its transactions are all in small amounts, whereas the freight rate is subject to fluctuation caused by cargo loading rate as well as market competition. Worldwide shipping agencies use a system to record the transactions by entering data including shipping departure, destination, counterparty, transit time, shipping amounts, and freight price for the Company. Therefore, management could recognise freight revenue in accordance with the data on bill of lading reports generated from the system, accompanied by estimation made from past experience and current cargo loading conditions the revenue that would flow in, and calculate the revenue under the percentage-of-completion method. As the process of recording transactions, communicating with agencies, and maintaining the system are done manually, and the estimation of freight revenue is subject to management's judgement, therefore freight revenue involves high uncertainty and is material to the financial statements. Given the conditions as described above, we consider the accuracy of freight revenue and the appropriate use of cut-off by the Company and its investee companies as a key audit matter.

How our audit addressed the matter

We, and the other independent accountants, performed the following audit procedures on the above key audit matter:

1. Obtained an understanding of the operation and industry of the Company and its investee companies to assess the reasonableness of policies and procedures on revenue recognition, and confirmed whether it is appropriate to the financial statements.
2. Obtained an understanding of the procedures of revenue recognition from booking, picking, billing to receiving. Assessed and tested relevant internal controls, including checking freight items and amounts of delivery information against the approved contracts and booking list. In addition, recalculated the accuracy of freight revenue, and ensured its consistency with the bill of lading report.
3. Obtained the estimated freight income report for vessels underway as of balance sheets date, and inquired with management for the reasonableness of judgment. In addition, checked historical freight revenue for total voyage under each individual vessel, along with comparing with current cargo loading condition as well as actual revenue received after period end to ensure the reasonableness of revenue assumptions.
4. Confirmed the completeness of vessels underway for the reporting period, including tracking the movements of shipments on the internet to ensure the vessels that depart before period end have been taken into consideration in the freight revenue calculation.
5. Verified accuracy of data used in calculating percentage of completion under each voyage, including selecting samples and check whether total shipping days shown on the Company's website are in agreement with cruise timetable as well as recalculating shipping days (days between departure and balance sheet date), in order to examine the soundness of percentage applied.

Impairment of property, plant and equipment

Description

Please refer to Note 4(15) for accounting policies on property, plant and equipment, Note 5(2) for uncertainty of accounting estimates and assumptions applied on impairment of property, plant and equipment, and Note 6(8) for details of property, plant and equipment, Note 6(7) for details of investments accounted for using equity method, and Table 8 for information on investees accounted for using equity method.

The Company, the Company's directly held subsidiary, Peony Investment S.A., which is recognised in investments accounted for using equity method, and the subsidiary, Evergreen Marine (Hong Kong) Ltd., which is directly and indirectly held an 80% equity interest by the Company, primarily engages in global container shipping service covering ocean-going and near-sea shipping line, shipping agency business as well as container freight station business. As new ships have been built and put into operation by many carriers around the world, market supply has exceeded demand. Therefore, the market imbalance led to price competition, resulting to significant changes in profit for the industry and raising the risk of impairment on ship equipment, transport equipment and and cargo handling equipment, which are recognised in property, plant and equipment. The valuation of impairment and recoverable amounts are evaluated by the Company using the present value of the future cash flows expected to be derived from an asset or cash-generating unit compared to the book value. The main assumptions of discount rates used in recoverable amounts, and expected operating revenue growth rates, gross profit, operating profit rates, capital expenditures and discount rates used in future cash flow estimates are subject to management's judgement and involve high uncertainty, and the estimated results are material to the financial statements. Given the conditions as described above exist in the Company and its investee companies, we consider the impairment assessment of ship equipment, transport equipment and cargo handling equipment in the property, plant and equipment under the Company and its investee companies as a key audit matter.

How our audit addressed the matter

We and other accountants performed the following audit procedures on the above key audit matter:

1. Obtained an understanding and assessed the relevant policies, internal controls and process applied to valuation of asset impairments.
2. Interviewed with management regarding the impairment test report, and assessed the reasonableness of discount rates and the reasonableness of operating revenue, gross profit, operating profit rate, growth rates and capital expenditure that management used in estimating future cash flows by checking actual performance under past operating plans and comparing the performance with industry forecast to evaluate the intention and capability of management.
3. Checked the parameters of the valuation model and recalculated the valuation model for accuracy.

Significant transactions in investments accounted for using equity method

Description

Please refer to Note 4(14) for accounting policy on investments accounted for using equity method, Note 6(7) for details of investments accounted for under equity method, and Table 8 for information on investees accounted for using equity method.

As of December 31, 2018, the Company owns directly and indirectly 80% equity interests in the subsidiary, Evergreen Marine (Hong Kong) Ltd., which is recognised in investments accounted for using equity method amounting to NT$7,218,598 thousand, constituting 5.64% of total assets, and recognised gain on investments for the year ended December 31, 2018 amounting to NT$783,458 thousand.

In December 2018, the subsidiary, Evergreen Marine (Hong Kong) Ltd., acquired a 100% equity interest in Hatsu Marine (Hong Kong) Limited by cash amounting to NT$3,265,341 thousand, and the fair value of acquired identifiable net assets (including intangible assets-customer relationship) amounted to NT$3,274,188 thousand. This business combination was a significant transaction during the financial reporting period, the fair value of identifiable net assets were estimated based on management's assessment and price allocation reports prepared by the independent expert appraisers appointed by the company mentioned above. Because the assessment and measurement of the fair value are subject to material judgements and accounting estimations, and are significant to the financial statements, therefore, we identified purchase price allocation a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding of and assessed the purpose, internal control policies and process of business combination.
2. Obtained an understanding of and assessed the valuation model used to estimate the fair value of acquiree and the applied forecasting financial data, including assessing the reasonableness of material assumptions, such as discount rate and revenue growth rates, gross margin and operating margin used to estimate future cash flows.
3. Obtained an understanding on the allocation of purchase price and procedures, including policies and assessment procedures on measurement and disclosure of identifiable net assets of acquiree. Reviewed the business combination contracts and price allocation reports, and examined the

acquisition date, recognised considerations and the fair value of identifiable net assets in order to ensure that the transactions were recognised correctly.

Other matter – Reports of other independent accountants

We did not audit the financial statements of all the investee companies accounted for using equity method. Those statements were audited by other independent accountants whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for those investee companies accounted for using equity method and information disclosed in Note 13 relating to these long-term equity investments, is based solely on the reports of the other independent accountants. Long-term equity investments in these investee companies amounted to NT$ 21,850,693 thousand and NT$ 20,592,791 thousand, constituting 17.08% and 17.05% of the total assets as of December 31, 2018 and 2017, respectively, and comprehensive loss (including share of profit or loss and share of other comprehensive income of associates and joint ventures accounted for using equity method) was NT$ 261,959 thousand and NT$ 1,848,434 thousand, constituting (25.52%) and 40.52% of the total comprehensive income (loss) as of December 31, 2018 and 2017, respectively.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including supervisors, are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ROC GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with ROC GAAS, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lee, Hsiu-Ling

Chih, Ping-Chiun

For and on behalf of PricewaterhouseCoopers, Taiwan

March 22, 2019

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
PARENT COMPANY ONLY BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2018 AMOUNT	%	December 31, 2017 AMOUNT	%
Current assets					
Cash and cash equivalents	6(1)	$ 21,672,457	17	$ 23,043,513	19
Current contract assets	6(20)	682,327	-	-	-
Notes receivable - net	6(4)	43	-	72	-
Accounts receivable - net	6(4)	3,258,807	3	2,861,279	3
Accounts receivable, net - related parties	6(4) and 7	99,623	-	213,443	-
Other receivables		205,230	-	358,065	-
Other receivables - related parties	7	180,937	-	260,788	-
Current income tax assets		-	-	14,180	-
Inventories	6(5)	908,122	1	688,877	1
Prepayments		254,205	-	225,934	-
Other current assets	6(6), 7 and 8	2,774,061	2	2,129,650	2
Current Assets		30,035,812	23	29,795,801	25
Non-current assets					
Non-current financial assets at fair value through other comprehensive income	6(2)	1,021,582	1	-	-
Available-for-sale financial assets - non-current	12(4)	-	-	1,297,929	1
Held-to-maturity financial assets - non-current	12(4)	-	-	100,000	-
Non-current financial assets at amortised cost	6(3)	100,000	-	-	-
Investments accounted for using equity method	6(7)	58,145,047	45	56,719,097	47
Property, plant and equipment - net	6(8) and 8	35,045,526	27	27,118,687	22
Investment property - net	6(9) and 8	1,888,557	2	1,907,702	2
Intangible assets		28,730	-	39,071	-
Deferred income tax assets	6(27)	686,350	1	561,985	-
Other non-current assets	6(10)	976,611	1	3,254,303	3
Non-current assets		97,892,403	77	90,998,774	75
Total assets		$ 127,928,215	100	$ 120,794,575	100

(Continued)

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
PARENT COMPANY ONLY BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2018 AMOUNT	%	December 31, 2017 AMOUNT	%
Current liabilities					
Current contract liabilities	6(20)	$ 431,290	-	$ -	-
Accounts payable		4,383,686	4	3,470,062	3
Accounts payable - related parties	7	193,831	-	124,895	-
Other payables		928,636	1	569,685	1
Other payables - related parties	7	6,683	-	14,918	-
Current income tax liabilities		263,684	-	10,766	-
Other current liabilities	6(11)(13) and 7	9,040,820	7	11,029,918	9
Current Liabilities		15,248,630	12	15,220,244	13
Non-current liabilities					
Corporate bonds payable	6(12)	10,000,000	8	8,000,000	7
Long-term loans	6(13)	33,708,791	26	31,951,886	26
Deferred income tax liabilities	6(27)	792,971	1	758,619	1
Other non-current liabilities	6(14)(15)	1,333,593	1	1,465,272	1
Non-current liabilities		45,835,355	36	42,175,777	35
Total Liabilities		61,083,985	48	57,396,021	48
Equity					
Capital	6(16)				
Common stock		45,129,738	35	40,123,560	33
Capital surplus	6(17)				
Capital surplus		11,059,145	9	10,838,075	9
Retained earnings	6(18)				
Legal reserve		5,685,548	4	4,985,031	4
Unappropriated retained earnings		3,776,643	3	6,769,575	6
Other equity interest	6(19)				
Other equity interest		1,193,156	1	682,313	-
Total equity		66,844,230	52	63,398,554	52
Significant Contingent Liabilities And Unrecognised Contract Commitments	9				
Significant Events After The Balance Sheet Date	11				
Total liabilities and equity		$ 127,928,215	100	$ 120,794,575	100

The accompanying notes are an integral part of these parent company only financial statements.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items	Notes	2018 AMOUNT	2018 %	2017 AMOUNT	2017 %
Operating revenue	6(20) and 7	$ 33,994,571	100	$ 28,897,616	100
Operating costs	6(25)(26) and 7	(32,512,863)	(96)	(26,886,291)	(93)
Gross profit		1,481,708	4	2,011,325	7
Operating expenses	6(25)(26) and 7				
Selling expenses		(301,462)	(1)	(318,030)	(1)
General and administrative expenses		(1,606,233)	(4)	(1,776,942)	(6)
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9		(297)	-	-	-
Total operating expenses		(1,907,992)	(5)	(2,094,972)	(7)
Other gains - net	6(21) and 7	7,594	-	316,314	1
Operating (loss) profit		(418,690)	(1)	232,667	1
Non-operating income and expenses					
Other income	6(22)	580,784	2	492,360	2
Other gains and losses	6(23)	19,481	-	435,171	1
Finance costs	6(24)	(685,636)	(2)	(634,697)	(2)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method		1,013,565	3	6,692,407	23
Total non-operating income and expenses		928,194	3	6,985,241	24
Profit before income tax		509,504	2	7,217,908	25
Income tax expense	6(27)	(215,585)	(1)	(212,737)	(1)
Profit for the year		$ 293,919	1	$ 7,005,171	24
Other comprehensive income (loss)	6(19)				
Components of other comprehensive income that will not be reclassified to profit or loss					
Losses on remeasurements of defined benefit plans	6(15)	($ 47,522)	-	($ 81,598)	-
Unrealised gains on valuation of investments in equity instruments measured at fair value through other comprehensive income		67,238	-	-	-
Share of other comprehensive loss of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		(409,055)	(1)	(167,870)	(1)
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		11,944	-	13,872	-
Components of other comprehensive loss that will not be reclassified to profit or loss		(377,395)	(1)	(235,596)	(1)
Components of other comprehensive income that will be reclassified to profit or loss					
Other comprehensive income (loss), before tax, exchange differences on translation		1,004,409	3	(2,046,070)	(7)
Unrealised loss on available-for-sale financial assets	12(4)	-	-	(92,521)	-
Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		104,751	-	(71,518)	-
Income tax relating to the components of other comprehensive income		746	-	2,534	-
Components of other comprehensive income (loss) that will be reclassified to profit or loss		1,109,906	3	(2,207,575)	(7)
Other comprehensive income (loss) for the year		$ 732,511	2	($ 2,443,171)	(8)
Total comprehensive income for the year		$ 1,026,430	3	$ 4,562,000	16
Basic earnings per share (in dollars)	6(28)				
Basic earnings per share		$ 0.07		$ 1.88	
Diluted earnings per share		$ 0.07		$ 1.88	

The accompanying notes are an integral part of these parent company only financial statements.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

				Retained earnings		Other equity interest					
	Notes	Common stock	Capital surplus	Legal reserve	(Accumulated deficit) unappropriated retained earnings	Exchange differences on translating the financial statements of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealized gain or loss on available-for-sale financial assets	Hedging instrument gain (loss) on effective hedge of cash flow hedges	Gains (losses) on hedging instruments	Total equity
Year 2017											
Balance at January 1, 2017		$ 35,123,560	$ 7,989,014	$ 9,233,242	($ 4,248,211)	$ 1,254,622	$ -	$ 1,703,161	($ 67,895)	$ -	$ 50,987,493
Profit for the year		-	-	-	7,005,171	-	-	-	-	-	7,005,171
Other comprehensive income (loss) for the year	6(18)(19)	-	-	-	(235,596)	(2,389,736)	-	130,178	51,983	-	(2,443,171)
Total comprehensive income (loss)		-	-	-	6,769,575	(2,389,736)	-	130,178	51,983	-	4,562,000
Distribution of 2016 earnings	6(18)										
Legal reserve used to offset accumulated deficit		-	-	(4,248,211)	4,248,211	-	-	-	-	-	-
Issuance of common stock	6(16)(17)	5,000,000	2,711,222	-	-	-	-	-	-	-	7,711,222
Cash capital increase reserved for employee preemption	6(17)	-	76,280	-	-	-	-	-	-	-	76,280
Adjustments to share of changes in equity of subsidiaries, associates and joint ventures	6(17)	-	61,559	-	-	-	-	-	-	-	61,559
Balance at December 31, 2017		$ 40,123,560	$ 10,838,075	$ 4,985,031	$ 6,769,575	($ 1,135,114)	$ -	$ 1,833,339	($ 15,912)	$ -	$ 63,398,554
Year 2018											
Balance at January 1, 2018		$ 40,123,560	$ 10,838,075	$ 4,985,031	$ 6,769,575	($ 1,135,114)	$ -	$ 1,833,339	($ 15,912)	$ -	$ 63,398,554
Retrospective application	3(1), 6(18)(19) and 12(4)	-	-	-	276,681	-	1,553,662	(1,833,339)	15,912	(15,912)	(2,996)
Balance at 1 January after adjustments		40,123,560	10,838,075	4,985,031	7,046,256	(1,135,114)	1,553,662	-	-	(15,912)	63,395,558
Profit for the year		-	-	-	293,919	-	-	-	-	-	293,919
Other comprehensive income (loss) for the year	6(18)(19)	-	-	-	(71,341)	1,152,694	(306,105)	-	-	(42,737)	732,511
Total comprehensive income (loss)		-	-	-	222,578	1,152,694	(306,105)	-	-	(42,737)	1,026,430
Distribution of 2017 earnings	6(16)(18)										
Legal capital reserve		-	-	700,517	(700,517)	-	-	-	-	-	-
Stock dividends		2,006,178	-	-	(2,006,178)	-	-	-	-	-	-
Cash dividends		-	-	-	(802,471)	-	-	-	-	-	(802,471)
Issuance of common stock	6(16)(17)	3,000,000	226,890	-	-	-	-	-	-	-	3,226,890
Cash capital increase reserved for employee preemption	6(17)	-	17,610	-	-	-	-	-	-	-	17,610
Adjustments to share of changes in equity of subsidiaries, associates and joint ventures	6(17)(18)	-	(23,430)	-	3,643	-	-	-	-	-	(19,787)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	6(2)(18)	-	-	-	13,332	-	(13,332)	-	-	-	-
Balance at December 31, 2018		$ 45,129,738	$ 11,059,145	$ 5,685,548	$ 3,776,643	$ 17,580	$ 1,234,225	$ -	$ -	($ 58,649)	$ 66,844,230

The accompanying notes are an integral part of these parent company only financial statements.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31 2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 509,504	$ 7,217,908
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(23)(25)	2,052,106	1,771,783
Amortization	6(25)	20,572	19,591
Bad debt expense		297	-
Interest expense	6(24)	685,636	634,697
Interest income	6(22)	(259,184)	(240,022)
Dividend income	6(22)	(58,560)	(46,965)
Gain on disposal of available-for-sale financial assets		-	(523,111)
Loss on disposal of other long-term investments	6(23)	-	312
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method		(1,013,565)	(6,692,407)
Gain from bargain purchase	6(22)	-	(1,534)
Net gain on disposal of property, plant and equipment	6(21)	(7,594)	(316,314)
Realized income with affliated companies		-	(7,444)
Cash capital increase reserved for employee preemption	6(17)	17,610	76,280
Changes in operating assets and liabilities			
Changes in operating assets			
Current contract assets		(303,183)	-
Notes receivable		29	(43)
Accounts receivable		(771,436)	(745,383)
Accounts receivable - related parties		113,797	(89,546)
Other receivables		146,416	328,228
Other receivables - related parties		79,851	(53,321)
Inventories		(219,245)	(287,794)
Prepayments		(28,271)	(32,951)
Other current assets		(644,411)	(78,841)
Other non-current assets		(846)	5,232
Changes in operating liabilities			
Current contract liabilities		(21,918)	-
Accounts payable		913,624	963,317
Accounts payable - related parties		68,936	919
Other payables		382,575	112,709
Other payables - related parties		(8,235)	8,138
Other current liabilities		(173,585)	894,561
Other non-current liabilities		(179,516)	(106,045)
Cash inflow generated from operations		1,301,404	2,811,954
Interest received		259,184	240,022
Interest paid		(701,416)	(646,262)
Income tax refund received		-	160,259
Income tax paid		(12,137)	-
Net cash flows from operating activities		847,035	2,565,973

(Continued)

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31 2018	2017
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(2)	$ 342,661	$ -
Proceeds from capital reduction of financial assets at fair value through other comprehensive income		924	-
Proceeds from disposal of available-for-sale financial assets		-	915,160
Proceeds from sale of held-to-maturity financial assets		-	170,000
Acquisition of held-to-maturity financial assets		-	(50,000)
Acquisition of investments accounted for using equity method	6(7)	(86,894)	(6,388,255)
Acquisition of property, plant and equipment	6(29)	(1,418,425)	(1,051,694)
Proceeds from disposal of property, plant and equipment		1,260	325,141
Acquisition of intangible assets		(10,231)	(6,459)
Increase in other non-current assets	6(29)	(6,276,066)	(2,402,411)
Cash dividends received		406,556	390,100
Net cash flows used in investing activities		(7,040,215)	(8,098,418)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term loans		-	600,000
Decrease in short-term loans		-	(600,000)
Increase in long-term loans	6(30)	16,065,620	2,164,302
Decrease in long-term loans	6(30)	(15,668,231)	(6,953,775)
Increase in corporate bonds payable		2,000,000	8,000,000
Decrease in corporate bonds payable		-	(3,000,000)
Proceeds from issuance of common stock	6(16)	3,226,890	7,711,222
Increase in guarantee deposits received		316	-
Cash dividends paid		(802,471)	-
Net cash flows from financing activities		4,822,124	7,921,749
Net (decrease) increase in cash and cash equivalents		(1,371,056)	2,389,304
Cash and cash equivalents at beginning of year		23,043,513	20,654,209
Cash and cash equivalents at end of year		$ 21,672,457	$ 23,043,513

The accompanying notes are an integral part of these parent company only financial statements.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017
(Expressed in thousands of New Taiwan Dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

Evergreen Marine Corporation (Taiwan) Ltd. (the "Company") was established in the Republic of China, is mainly engaged in domestic and international marine transportation, shipping agency services, and the distribution of containers. The Company was approved by the Securities and Futures Bureau (SFB), Financial Supervisory Commission, Executive Yuan, R.O.C. to be a public company on November 2, 1982 and was further approved by the SFB to be a listed company on July 6, 1987. The Company's shares have been publicly traded on the Taiwan Stock Exchange since September 21, 1987.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These parent company only financial statements were authorised for issuance by the Board of Directors on March 22, 2019.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC effective from 2018 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 2, 'Classification and measurement of share-based payment transactions'	January 1, 2018
Amendments to IFRS 4, 'Applying IFRS 9 Financial instruments with IFRS 4, Insurance contracts'	January 1, 2018
IFRS 9, 'Financial instruments'	January 1, 2018
IFRS 15, 'Revenue from contracts with customers'	January 1, 2018
Amendments to IFRS 15, 'Clarifications to IFRS 15 Revenue from contracts with customers'	January 1, 2018
Amendments to IAS 7, 'Disclosure initiative'	January 1, 2017
Amendments to IAS 12, 'Recognition of deferred tax assets for unrealised losses'	January 1, 2017
Amendments to IAS 40, 'Transfers of investment property'	January 1, 2018
IFRIC 22, 'Foreign currency transactions and advance consideration'	January 1, 2018
Annual improvements to IFRSs 2014-2016 cycle - Amendments to IFRS 1, 'First-time adoption of International Financial Reporting Standards'	January 1, 2018
Annual improvements to IFRSs 2014-2016 cycle - Amendments to IFRS 12, 'Disclosure of interests in other entities'	January 1, 2017

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Annual improvements to IFRSs 2014-2016 cycle - Amendments to IAS 28, ‘Investments in associates and joint ventures’	January 1, 2018

Except for the following, the above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment. The quantitative impact will be disclosed when the assessment is complete.

A. IFRS 9, ‘Financial instruments’

(a) Classification of debt instruments is driven by the entity’s business model and the contractual cash flow characteristics of the financial assets, which would be classified as financial asset at fair value through profit or loss, financial asset measured at fair value through other comprehensive income or financial asset measured at amortised cost. Equity instruments would be classified as financial asset at fair value through profit or loss, unless an entity makes an irrevocable election at inception to present subsequent changes in the fair value of an investment in an equity instrument that is not held for trading in other comprehensive income.

(b) The impairment losses of debt instruments are assessed using an ‘expected credit loss’ approach. An entity assesses at each balance sheet date whether there has been a significant increase in credit risk on that instrument since initial recognition to recognise 12-month expected credit losses or lifetime expected credit losses (interest revenue would be calculated on the gross carrying amount of the asset before impairment losses occurred); or if the instrument that has objective evidence of impairment, interest revenue after the impairment would be calculated on the book value of net carrying amount (i.e. net of credit allowance).

(c) The amended general hedge accounting requirements align hedge accounting more closely with an entity’s risk management strategy. Risk components of non-financial items and a group of items can be designated as hedged items. The standard relaxes the requirements for hedge effectiveness, removing the 80-125% bright line, and introduces the concept of ‘rebalancing’; while its risk management objective remains unchanged, an entity shall rebalance the hedged item or the hedging instrument for the purpose of maintaining the hedge ratio.

(d) The Company has elected not to restate prior period financial statements using the modified retrospective approach under IFRS 9. The significant effects of adopting the modified transition as of January 1, 2018 are summarised below:

i. In accordance with IFRS 9, the Company expects to reclassify available-for-sale financial assets in the amount of $1,297,929 by increasing financial assets at fair value through other comprehensive income in the amount of $1,297,929. Additionally, the Company increased retained earnings by $281,074, decreased investments accounted for using equity method by $1,397 and decreased other equity interest by $279,677.

ii. In accordance with IFRS 9, the Company expects to reclassify held-to-maturity financial assets of $100,000 by increasing financial assets at amortised cost in the amount of $100,000.

iii.In line with the regulations under IFRS 9 on provision for impairment, the Company increased deferred income tax assets by $182, and decreased current contract assets by $114, accounts receivable, net by $744, accounts receivable, net - related parties by $52, investments accounted for using equity method by $3,665 and retained earnings by $4,393.

iv. Please refer to Note 12(4) for disclosure in relation to the first time application of IFRS 9.

B. IFRS 15, 'Revenue from contracts with customers' and amendments

(a) IFRS 15, 'Revenue from contracts with customers' replaces IAS 11, 'Construction contracts', IAS 18, 'Revenue' and relevant interpretations. According to IFRS 15, revenue is recognised when a customer obtains control of promised goods or services. A customer obtains control of goods or services when a customer has the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset.

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

Step 1: Identify contracts with customer.

Step 2: Identify separate performance obligations in the contract(s).

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price.

Step 5: Recognise revenue when the performance obligation is satisfied.

Further, IFRS 15 includes a set of comprehensive disclosure requirements that requires an entity to disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

(b) The Company has elected not to restate prior period financial statements and recognised the cumulative effect of initial application as retained earnings at January 1, 2018, using the modified retrospective approach under IFRS 15. The Company applied retrospectively IFRS 15 only to incomplete contracts as of January 1, 2018, by adopting an optional transition expedient. The significant effects of adopting the modified transition as of January 1, 2018 are summarised below:

Presentation of assets and liabilities in relation to contracts with customers

In line with IFRS 15 requirements, the Company changed the presentation of certain accounts in the balance sheet as follows:

i. Under IFRS 15, contracts whereby services have been rendered but not yet billed are recognised as contract assets, but were previously presented as part of accounts receivable in the balance sheet. As of January 1, 2018, the balance amounted to $379,235(including contract assets and allowance for bad debts amounting to $379,349 and $114, respectively).

ii. Under IFRS 15, liabilities in relation to contracts are recognised as contract liabilities, but were previously presented as advance sales receipts in the balance sheet. As of January 1, 2018, the balance amounted to $453,207.

iii. Please refer to Note 12(5) for other disclosures in relation to the first time application of IFRS 15.

C. Amendments to IAS 7, 'Disclosure initiative'

This amendment requires that an entity shall provide more disclosures related to changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The Company expects to provide additional disclosures to explain the changes in liabilities arising from financing activities.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC effective from 2019 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9, 'Prepayment features with negative compensation'	January 1, 2019
IFRS 16, 'Leases'	January 1, 2019
Amendments to IAS 19, 'Plan amendment, curtailment or settlement'	January 1, 2019
Amendments to IAS 28, 'Long-term interests in associates and joint ventures'	January 1, 2019
IFRIC 23, 'Uncertainty over income tax treatments'	January 1, 2019
Annual improvements to IFRSs 2015-2017 cycle	January 1, 2019

Except for the following, the above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

A. IFRS 16, 'Leases'

IFRS 16, 'Leases', replaces IAS 17, 'Leases' and related interpretations and SICs. The standard requires lessees to recognise a 'right-of-use asset' and a lease liability (except for those leases with terms of 12 months or less and leases of low-value assets). The accounting stays the same for lessors, which is to classify their leases as either finance leases or operating leases and account for those two types of leases differently. IFRS 16 only requires enhanced disclosures to be provided by lessors.

The Company expects to recognise the lease contract of lessees in line with IFRS 16. However, the Company does not intend to restate the financial statements of prior period (collectively referred herein as the "modified retrospective approach"). On January 1, 2019, it is expected that 'right-of-use asset' and lease liability will be increased by $14,756,183 and $14,756,183, respectively.

B. Amendments to IAS 19, 'Plan amendment, curtailment or settlement'

When a change to a plan take place the amendments require a company to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan.

C. Annual improvements to IFRSs 2015-2017 cycle

(a) Amendments to IFRS 3, 'Business combinations'

The amendments clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The acquirer should remeasure its previously held interest in the joint operation at fair value at of the acquisition date.

(b) Amendments to IAS 12, 'Income taxes'

The amendment clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. These requirements apply to all income tax consequences of dividends.

(c) Amendments to IAS 23, 'Borrowing costs'

The amendments clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendment to IAS 1 and IAS 8, 'Disclosure Initiative-Definition of Material'	January 1, 2020
Amendments to IFRS 3, 'Definition of a business'	January 1, 2020
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2021

Except for the following, the above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

A. Amendment to IAS 1 and IAS 8, 'Disclosure Initiative-Definition of Material'

The amendments clarify the definition of material that information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

B. Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'

The amendments resolve a current inconsistency between IFRS 10 and IAS 28. The gain or loss resulting from a transaction that involves sales or contribution of assets between an investor and its associates or joint ventures is recognised either in full or partially depending on the nature of the assets sold or contributed:

(a) If sales or contributions of assets constitute a 'business', the full gain or loss is recognized;

(b) If sales or contributions of assets do not constitute a 'business', the partial gain or loss is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

These parent company only financial statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

(2) Basis of preparation

A.Except for the following items, these parent company only financial statements have been prepared under the historical cost convention:

(a)Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b)Financial assets at fair value through other comprehensive income /Available-for-sale financial assets measured at fair value.

(c)Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B.The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

C.In adopting IFRS 9 and IFRS 15 effective January 1, 2018, the Company has elected to apply modified retrospective approach whereby the cumulative impact of the adoption was recognised as retained earnings or other equity as of January 1, 2018 and the financial statements for the year ended December 31, 2017 were not restated. The financial statements for the year ended December 31, 2017 were prepared in compliance with International Accounting Standard 39 ('IAS 39'), International Accounting Standard 11 ('IAS 11'), International Accounting Standard 18 ('IAS 18') and related financial reporting interpretations. Please refer to Notes 12(4) and (5) for details of significant accounting policies and details of significant accounts.

(3) Foreign currency translation

Items included in the parent company only financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The parent company only financial statements are presented in New Taiwan Dollars, which is the Company's functional and presentation currency.

A. Foreign currency transactions and balances

(a)Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

(b)Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c)Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d)All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.

B.Translation of foreign operations

(a)The operating results and financial position of all the company entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii.Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii.All resulting exchange differences are recognised in other comprehensive income.

(b)When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Company retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.

(c)When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Company retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(4) Classification of current and non-current items

A.Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B.Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits with original maturities of one year or less that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(6) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

D. The Company recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) Financial assets at fair value through other comprehensive income

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

(a) The objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets; and

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:

(a) The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognised in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

(8) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Company's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

(9) Notes, accounts and other receivables

A. Notes and accounts receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services. Receivables arising from transactions other than the sale of goods or services are classified as other receivables.

B. The Company initially measures accounts and notes receivable at fair value and subsequently recognises the amortised interest income over the period of circulation using the effective interest method and the impairment loss. A gain or loss is recognised in profit or loss.

(10) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost including accounts receivable or contract assets that have a significant financing component, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Company derecognises a financial asset when one of the following conditions is met:

A. The contractual rights to receive cash flows from the financial asset expire.

B. The contractual rights to receive cash flows from the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows from the financial asset have been transferred; however, the Company has not retained control of the financial asset.

(12) Operating leases (lessor)

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(13) Inventories

Inventories refer to fuel inventories and steel inventories. Fuel inventories are physically measured by the crew of each ship and reported back to the Head Office through telegraph for recording purposes at balance sheet date. Valuation of inventories is based on the exchange rate prevailing at balance sheet date.

(14) Investments accounted for using equity method / subsidiaries and associates

A. Subsidiary is an entity where the Company has the right to dominate its finance and operation policies (includes special purpose entity), normally the Company owns more than 50 percent of the voting rights directly or indirectly in that entity. Subsidiaries are accounted for under the equity method in the Company's parent company only financial statements.

B. Unrealized gains or losses resulted from inter-company transactions with subsidiaries are eliminated. Necessary adjustments are made to the accounting policies of subsidiaries, to be consistent with the accounting policies of the Company.

C. After acquisition of subsidiaries, the Company recognizes proportionately for the share of profit and loss and other comprehensive incomes in the income statement as part of the Company's profit and loss and other comprehensive income, respectively. When the share of loss from a subsidiary exceeds the carrying amount of Company's interests in that subsidiary, the Company continues to recognize its shares in the subsidiary's loss proportionately.

D. Changes in a parent’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received shall be recognized directly in equity and attributed to the owners of the parent.

E. If the Company loses control of a subsidiary, the Company recognizes any investment retained in the former subsidiary at its fair value at the date when control is lost and recognizes any resulting difference as a gain or loss in profit or loss. The Company shall account for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Company reclassifies the gain or loss from equity to profit or loss when it loses control of the subsidiary.

F. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.

G. The Company’s share of its associates’ post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company’s share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred constructive obligations or made payments on behalf of the associate.

H. When changes in an associate’s equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company’s ownership percentage of the associate, the Company recognises in ‘capital surplus’ in proportion to its ownership.

I. Unrealised gains or loss on transactions between the Company and its associates are eliminated to the extent of the Company’s interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

J. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company’s ownership percentage of the associate but maintains significant influence on the associate, then ‘capital surplus’ and ‘investments accounted for under the equity method’ shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Company’s ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

K. Upon loss of significant influence over an associate, the Company remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.

L. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

M. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

N. According to “Rules Governing the Preparations of Financial Statements by Securities Issuers”, 'profit for the year' and 'other comprehensive income for the year' reported in an entity's parent company only statement of comprehensive income, shall equal to 'profit for the year' and 'other comprehensive income' attributable to owners of the parent reported in that entity's consolidated statement of comprehensive income. Total equity reported in an entity's parent company only financial statements, shall be equal to the equity attributable to owners of parent reported in that entity's consolidated financial statements.

(15) <u>Property, plant and equipment</u>

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings	50 ~ 55 years
Loading and unloading equipment	6 ~ 20 years
Ships	18 ~ 25 years
Transportation equipment	6 ~ 10 years
Other equipment	3 ~ 5 years

(16) Leased assets/ operating leases (lessee)

A. Based on the terms of a lease contract, a lease is classified as a finance lease if the Company assumes substantially all the risks and rewards incidental to ownership of the leased asset.

(a)A finance lease is recognised as an asset and a liability at the lease's commencement at the lower of the fair value of the leased asset or the present value of the minimum lease payments.

(b)The minimum lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charges are allocated to each period over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(c)Property, plant and equipment held under finance leases are depreciated over their estimated useful lives. If there is no reasonable certainty that the Company will obtain ownership at the end of the lease, the asset shall be depreciated over the shorter of the lease term and its useful life.

B. Payments made under an operating lease (net of any incentives received from the lessor) are recognised in profit or loss on a straight-line basis over the lease term.

C. The accounting treatment of sale and leaseback transactions depends on the substance of the transaction. If sale and finance leaseback is in substance a financing transaction, the difference between the sales proceeds and the carrying value of the asset is deferred and amortised to the income statement over the lease term. If the sale price is below the fair value, the difference between sale price and carrying amount should be recognised immediately except that, if a loss arising is compensated by future rent at below market price, it should be deferred and amortised in proportion to the rent payments over the period for which the asset is expected to be used. If the sale price is above the fair value, the excess of proceeds over fair value should be deferred and amortised over the period for which the asset is expected to be used.

(17) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 50 ~ 60 years.

(18) Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 years.

(19) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(20) Borrowings

A. Borrowings comprise long-term and short-term bank borrowings and other long-term and short-term loans. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(21) Accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services.

B. The Company initially measures accounts payable at fair value and subsequently amortises the interest expense in profit or loss over the period of circulation using the effective interest method.

(22) Financial liabilities at fair value through profit or loss

A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges or financial liabilities at fair value through profit or loss. Financial liabilities that meet one of the following criteria are designated as at fair value through profit or loss at initial recognition:

(a) Hybrid (combined) contracts; or

(b) They eliminate or significantly reduce a measurement or recognition inconsistency; or

(c) They are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management policy.

B. At initial recognition, the Company measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Company subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(23) Bonds payable

Ordinary corporate bonds issued by the Company are initially recognised at fair value less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is presented as an addition to or deduction from bonds payable, which is amortised to profit or loss over the period of bond circulation using the effective interest method as an adjustment to 'finance costs'.

(24) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(25) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(26) Hedge accounting

A. At the inception of the hedging relationship, there is formal designation and documentation of the hedging relationship and the Company's risk management objective and strategy for undertaking the hedge. That documentation shall include identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements.

B. The Company designates the hedging relationship as follows:

Cash flow hedge:

A hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

C. Cash flow hedges

(a)The cash flow hedge reserve associated with the hedged item is adjusted to the lower of the following (in absolute amounts):

i. the cumulative gain or loss on the hedging instrument from inception of the hedge; and

ii.the cumulative change in fair value of the hedged item from inception of the hedge.

(b)The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income. The gain or loss on the hedging instrument relating to the ineffective portion is recognised in profit or loss.

(c)The amount that has been accumulated in the cash flow hedge reserve in accordance with (a) is accounted for as follows:

i. If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Company shall remove that amount from the cash flow hedge reserve and include it directly in the initial cost or other carrying amount of the asset or liability.

ii. For cash flow hedges other than those covered by item i. above, that amount shall be reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss.

iii. If that amount is a loss and the Company expects that all or a portion of that loss will not be recovered in one or more future periods, it shall immediately reclassify the amount that is not expected to be recovered into profit or loss as a reclassification adjustment.

(d) When the hedging instrument expires, or is sold, terminated, exercised or when the hedging relationship ceases to meet the qualifying criteria, if the forecast transaction is still expected to occur, the amount that has been accumulated in the cash flow hedge reserve shall remain in the cash flow hedge reserve until the forecast transaction occurs; if the forecast transaction is no longer expected to occur, the amount shall be immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment.

(27) <u>Employee benefits</u>

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Company uses interest rates of government bonds (at the balance sheet date) instead.

ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Past service costs are recognised immediately in profit or loss.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Company's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Company recognises expense as it can no longer withdraw an offer of termination benefits or it recognises relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(28) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(29) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(30) Revenue recognition

A. Sales of services

Revenue from delivering services is recognised under the percentage-of-completion method when the outcome of services provided can be estimated reliably. The stage of completion of a service contract is measured by the percentage of the actual services performed as of the financial reporting date to the total services to be performed. If the outcome of a service contract cannot be estimated reliably, contract revenue should be recognised only to the extent that contract costs incurred are likely to be recoverable.

B. Rental revenue

The Company leases ships and shipping spaces under IAS 17, 'Leases'. Lease assets are classified as finance leases or operating leases based on the transferred proportion of the risks and rewards incidental to ownership of the leased asset, and recognised in revenue over the lease term.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1)Critical judgements in applying the Company's accounting policies

None.

(2)Critical accounting estimates and assumptions

A.Revenue recognition

Revenue from delivering services and related costs are recognised under the percentage-of-completion method when the outcome of services provided can be estimated reliably. The stage of completion of a service contract is measured by the percentage of the actual services performed as of the financial reporting date to the total services to be performed.

B.Impairment assessment of tangible assets

The Company assesses impairment based on its subjective judgement and determines the separate cash flows of a specific group of assets, useful lives of assets and the future possible income and expenses arising from the assets depending on how assets are utilized and industrial characteristics. Any changes of economic circumstances or estimates due to the change of Company strategy might cause material impairment on assets in the future.

As of December 31, 2018, the Company recognised property, plant and equipment, amounting to $35,045,526.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2018	December 31, 2017
Cash on hand and petty cash	$ 14,807	$ 13,433
Checking accounts and demand deposits	2,594,385	2,656,471
Time deposits	19,063,265	20,373,609
	$ 21,672,457	$ 23,043,513

A.The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B.The Company has no cash and cash equivalents pledged to others.

(2) Financial assets at fair value through other comprehensive income

Items	December 31, 2018
Non-current items:	
Listed (TSE and OTC) stocks	$ 490,801
Unlisted stocks	91,058
	581,859
Valuation adjustment	439,723
	$ 1,021,582

A. The Company has elected to classify these investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $1,021,582 at December 31, 2018.

B. For the year ended December 31, 2018, for the consideration of operations, the Company sold shares of listed stocks with a fair value of $342,661 of which a cumulative disposal gain of $13,332 was recognised.

C. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Year ended December 31, 2018
Equity instruments at fair value through other comprehensive income	
Fair value change recognised in other comprehensive income	$ 53,906
Income tax recognised in other comprehensive income	$ 6,699
Cumulative gains reclassified to retained earnings due to derecognition	$ 13,332
Dividend income recognised in profit or loss	
Held at end of period	$ 48,031

D. As at December 31, 2018, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Company was $1,021,582.

E. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(3).

F. Information on available-for-sale financial assets and financial assets at cost as of December 31, 2017 is provided in Note 12(4).

(3) Financial assets at amortised cost

Items	December 31, 2018
Non-current items:	
Financial bonds	$ 100,000

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Year ended December 31, 2018
Interest income	$ 2,200

B. As at December 31, 2018, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Company was $100,000.

C. The Company has no financial assets at amortised cost held by the Company pledged to others.

D. Information on held-to-maturity financial assets and investments in debt instruments without active market as of December 31, 2017 are provided in Note 12(4).

(4) Notes and accounts receivable

	December 31, 2018	December 31, 2017
Notes receivable	$ 43	$ 72
Less: Allowance for bad debts	-	-
	$ 43	$ 72
Accounts receivable (including related parties)	$ 3,423,679	$ 3,143,204
Less: Allowance for bad debts	(65,249)	(68,482)
	$ 3,358,430	$ 3,074,722

A. The ageing analysis of accounts receivable and notes receivable are as follows:

	December 31, 2018		December 31, 2017	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not impaired	$ 2,376,219	$ 43	$ 2,508,727	$ 72
Up to 30 days	635,760	-	301,805	-
31 to 180 days	282,204	-	202,127	-
Over 181 days	64,247	-	62,063	-
	$ 3,358,430	$ 43	$ 3,074,722	$ 72

The above ageing analysis was based on past due date.

B. The Company has no notes and accounts receivable held by the Company pledged to others.

C. As at December 31, 2018 and 2017, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's notes receivable were $43 and $72, respectively; and the amount that best represents the Company's accounts receivable were $3,358,430 and $3,074,722, respectively.

D. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(5) Inventories

	December 31, 2018		
	Cost	Allowance for valuation loss	Book value
Ship fuel	$ 908,122	$ -	$ 908,122

	December 31, 2017		
	Cost	Allowance for valuation loss	Book value
Ship fuel	$ 688,877	$ -	$ 688,877

(6) Other current assets

	December 31, 2018	December 31, 2017
Shipowner's accounts	$ 1,270,841	$ 1,647,486
Agent accounts	417,986	250,116
Other financial assets	121,632	117,725
Temporary debits	963,602	114,323
	$ 2,774,061	$ 2,129,650

A.Shipowner’s accounts

(a)These pertain to temporary accounts between the Company and Evergreen International S.A., Gaining Enterprise S.A., Greencompass Marine S.A., Italia Marittima S.p.A., Evergreen Marine (UK) Ltd., Evergreen Marine (Hong Kong) Ltd. and Evergreen Marine (Singapore) Pte. Ltd.. These accounts occur as these ship owners incur foreign port expenses and related rental expenses.

(b)In response to market competition and enhancement of global transportation network to provide better logistics services to customers, the Company has joined Cosco Container Lines Co., Ltd., Kawasaki Kisen Kaisha, Ltd., Yang Ming (UK), Ltd. and Hanjin Shipping Co., Ltd. to form the new CKYHE Alliance for the trading of shipping spaces from March 1, 2014 to March 31,2017.

(c)In response to market competition and enhancement of global transportation network to provide better logistics services to customers, the Company has joined Cosco Container Lines Co., Ltd., CMA CGM, Ltd., and the Orient Overseas Container Line, Ltd. to form the OCEAN Alliance on March 31, 2017 for trading of shipping space.

B.Agency accounts

These accounts occur when domestic and foreign agencies, based on the agreement with the Company, deal with foreign port formalities regarding arrival and departure of ships, cargo loading, discharging and forwarding, collection of freight, and payment of expenses incurred in the foreign port.

(7) Investments accounted for using equity method

Details of long-term equity investments accounted for using equity method are set forth below:

	December 31, 2018	December 31, 2017
Subsidiary of the Company:		
Peony Investment S.A.	$ 28,571,763	$ 29,984,506
Evergreen Marine (Hong Kong) Ltd.	7,218,598	6,287,883
Everport Terminal Services Inc.	1,047,007	568,156
Taiwan Terminal Services Co., Ltd.	53,286	39,912
Associates of the Company:		
EVA Airways Corporation	10,334,116	9,462,402
Evergreen International Storage and Transport Corporation	8,981,075	8,554,230
Taipei Port Container Terminal Corporation	1,026,338	977,049
Charng Yang Development Co., Ltd.	544,057	537,532
VIP Greenport Joint Stock Company	253,668	205,923
Evergreen Security Corporation	111,665	97,140
Evergreen Marine (Latin America), S.A.	3,474	4,364
	$ 58,145,047	$ 56,719,097

A.The fair value of the Company's associates which have quoted market price was as follows:

	December 31, 2018	December 31, 2017
Evergreen International Storage and Transport Corporation	$ 5,814,345	$ 6,000,494
EVA Airways Corporation	11,294,242	10,790,460
	$ 17,108,587	$ 16,790,954

B.The above investment income or loss accounted for using the equity method was based on the financial statements of the investees for the corresponding periods, which were audited by independent accountants.

C.Subsidiary:

(a) For information on the subsidiaries, please refer to Note 4(3) of the consolidated financial statements as of December 31, 2018.

(b) On August 11, 2017, the Board of Directors resolved to acquire Evergreen Marine (Hong Kong) Ltd. On December 18, 2017, the Company purchased 80% of the shares of Evergreen Marine (Hong Kong) Ltd. for cash of $6,452,225 (approx. USD 212,000) from subsidiary Peony Investment S.A. Please refer to Note 6(31) to the 2018 consolidated financial statements.

(c) On August 13, 2018, the Board of Directors of the subsidiary, Evergreen Marine (Hong Kong) Ltd., resolved to acquire Hatsu Marine (Hong Kong) Limited. On December 14, 2018, the Company purchased 100% of the shares of Hatsu Marine (Hong Kong) Limited. for cash of $3,265,341 (approx. USD 105,808) from other related party Chestnut Estate B.V.. Please refer to Note 6(31) to the 2018 consolidated financial statements.

D.The basic information of the associates that are material to the Company is as follows:

Company name	Principal place of business	Ownership(%) December 31, 2018	Ownership(%) December 31, 2017	Nature of relationship	Methods of measurement
Evergreen International Storage and Transport Corporation	TW	40.36%	39.74%	With a right over 20% to vote	Equity method
EVA Airways Corporation	TW	16.31%	16.31%	Have a right to vote in the Board of Directors	Equity method

E.The summarised financial information of the associates that are material to the Company is as follows:

Balance sheet

	Evergreen International Storage and Transport Corporation	
	December 31, 2018	December 31, 2017
Current assets	$ 6,066,455	$ 5,429,946
Non-current assets	27,152,629	27,662,565
Current liabilities	(2,418,658)	(2,369,781)
Non-current liabilities	(8,269,749)	(9,031,865)
Total net assets	$ 22,530,677	$ 21,690,865
Share in associate's net assets	$ 8,982,546	$ 8,558,553
Unrealized income with affiliated companies	(1,471)	(4,323)
Carrying amount of the associate	$ 8,981,075	$ 8,554,230

	EVA Airways Corporation	
	December 31, 2018	December 31, 2017
Current assets	$ 75,996,433	$ 69,002,340
Non-current assets	165,197,470	159,204,888
Current liabilities	(60,922,876)	(60,428,208)
Non-current liabilities	(110,151,292)	(103,569,512)
Total net assets	$ 70,119,735	$ 64,209,508
Share in associate's net assets	$ 10,334,116	$ 9,462,402

Statement of comprehensive income

	Evergreen International Storage and Transport Corporation	
	Year ended December 31, 2018	Year ended December 31, 2017
Revenue	$ 7,742,438	$ 7,554,009
Profit for the period from continuing operations	$ 870,248	$ 884,258
Other comprehensive income (loss), net of tax	351,587	(647,260)
Total comprehensive income	$ 1,221,835	$ 236,998
Dividends received from associates	$ 148,422	$ 148,422

	EVA Airways Corporation	
	Year ended December 31, 2018	Year ended December 31, 2017
Revenue	$ 179,907,332	$ 163,561,731
Profit for the period from continuing operations	$ 7,214,513	$ 6,310,934
Other comprehensive loss, net of tax	(543,495)	(769,683)
Total comprehensive income	$ 6,671,018	$ 5,541,251
Dividends received from associates	$ 136,157	$ 132,191

F.The carrying amount of the Company's interests in all individually immaterial associates and the Company's share of the operating results are summarized below:

As of December 31, 2018 and 2017, the carrying amount of the Company's individually immaterial associates amounted to $1,939,202 and $1,822,008, respectively.

	Year ended December 31, 2018	Year ended December 31, 2017
Profit for the period from continuing operations	$ 676,960	$ 344,532
Other comprehensive loss, net of tax	(3,309)	(4,318)
Total comprehensive income	$ 673,651	$ 340,214

G.On May 12, 2017, the Board of Directors resolved to purchase newly issued shares of VIP Greenport Joint Stock Company for VND 12,500 thousand as an original shareholder. The ownership percentage remains at 21.74% after the purchase.

H.On October 8, 2018, the Board of Directors during their meeting resolved to acquire 6,629 thousand shares of Evergreen International Storage and Transport Corporation's shares from the stock exchange market. The transaction price was $86,894, and the ownership percentage was increased to 40.36% after the purchase.

(8) Property, plant and equipment

	Land	Buildings	Loading and unloading equipment	Computer and communication equipment	Transportation equipment	Ships	Office equipment	Leasehold improvements	Other	Total
At January 1, 2018										
Cost	$ 558,532	$ 402,956	$ 6,043,080	$ 137,898	$ 5,034,842	$ 25,314,393	$ 207,819	$ 555,741	$ 73,690	$ 38,328,951
Accumulated depreciation	-	(207,146)	(4,149,926)	(115,362)	(1,654,349)	(4,566,856)	(169,263)	(344,009)	(3,353)	(11,210,264)
	$ 558,532	$ 195,810	$ 1,893,154	$ 22,536	$ 3,380,493	$ 20,747,537	$ 38,556	$ 211,732	$ 70,337	$ 27,118,687
2018										
Opening net book amount as at January 1	$ 558,532	$ 195,810	$ 1,893,154	$ 22,536	$ 3,380,493	$ 20,747,537	$ 38,556	$ 211,732	$ 70,337	$ 27,118,687
Additions	-	-	4,038	17,682	1,323,549	56,301	2,214	10,097	389	1,414,270
Disposals	-	-	(1)	(106)	(2,478)	-	(9)	-	-	(2,594)
Reclassifications	-	-	50,697	818	1,989	8,490,790	-	-	3,830	8,548,124
Depreciation	-	(7,748)	(178,203)	(14,404)	(451,311)	(1,241,895)	(17,875)	(117,867)	(3,658)	(2,032,961)
Closing net book amount as at December 31	$ 558,532	$ 188,062	$ 1,769,685	$ 26,526	$ 4,252,242	$ 28,052,733	$ 22,886	$ 103,962	$ 70,898	$ 35,045,526
At December 31, 2018										
Cost	$ 558,532	$ 402,956	$ 6,079,916	$ 143,644	$ 6,356,030	$ 33,861,484	$ 206,679	$ 565,838	$ 77,909	$ 48,252,988
Accumulated depreciation	-	(214,894)	(4,310,231)	(117,118)	(2,103,788)	(5,808,751)	(183,793)	(461,876)	(7,011)	(13,207,462)
	$ 558,532	$ 188,062	$ 1,769,685	$ 26,526	$ 4,252,242	$ 28,052,733	$ 22,886	$ 103,962	$ 70,898	$ 35,045,526

	Land	Buildings	Loading and unloading equipment	Computer and communication equipment	Transportation equipment	Ships	Office equipment	Leasehold improvements	Other	Total
At January 1, 2017										
Cost	$ 558,532	$ 402,956	$ 5,663,204	$ 120,405	$ 4,661,534	$ 24,554,286	$ 209,733	$ 337,340	$ 72,810	$ 36,580,800
Accumulated depreciation	-	(199,399)	(3,990,202)	(109,661)	(1,879,108)	(3,958,278)	(159,570)	(228,668)	(531)	(10,525,417)
	$ 558,532	$ 203,557	$ 1,673,002	$ 10,744	$ 2,782,426	$ 20,596,008	$ 50,163	$ 108,672	$ 72,279	$ 26,055,383
2017										
Opening net book amount as at January 1	$ 558,532	$ 203,557	$ 1,673,002	$ 10,744	$ 2,782,426	$ 20,596,008	$ 50,163	$ 108,672	$ 72,279	$ 26,055,383
Additions	-	-	2,014	23,131	984,310	21,375	8,320	14,312	494	1,053,956
Disposals	-	-	(38)	(28)	(14,252)	(3,451)	(26)	-	-	(17,795)
Reclassifications	-	-	379,334	807	-	1,195,037	128	204,089	387	1,779,782
Depreciation	-	(7,747)	(161,158)	(12,118)	(371,991)	(1,061,432)	(20,029)	(115,341)	(2,823)	(1,752,639)
Closing net book amount as at December 31	$ 558,532	$ 195,810	$ 1,893,154	$ 22,536	$ 3,380,493	$ 20,747,537	$ 38,556	$ 211,732	$ 70,337	$ 27,118,687
At December 31, 2017										
Cost	$ 558,532	$ 402,956	$ 6,043,080	$ 137,898	$ 5,034,842	$ 25,314,393	$ 207,819	$ 555,741	$ 73,690	$ 38,328,951
Accumulated depreciation	-	(207,146)	(4,149,926)	(115,362)	(1,654,349)	(4,566,856)	(169,263)	(344,009)	(3,353)	(11,210,264)
	$ 558,532	$ 195,810	$ 1,893,154	$ 22,536	$ 3,380,493	$ 20,747,537	$ 38,556	$ 211,732	$ 70,337	$ 27,118,687

A. The Company has issued a negative pledge to granting banks for drawing borrowings within the credit line to purchase the above transportation equipment.

B. Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(9) Investment property

	Land	Buildings	Total
At January 1, 2018			
Cost	$ 1,414,008	$ 975,187	$ 2,389,195
Accumulated depreciation	-	(481,493)	(481,493)
	$ 1,414,008	$ 493,694	$ 1,907,702
2018			
Opening net book amount as at January 1	$ 1,414,008	$ 493,694	$ 1,907,702
Depreciation charge	-	(19,145)	(19,145)
Closing net book amount as at December 31	$ 1,414,008	$ 474,549	$ 1,888,557
At December 31, 2018			
Cost	$ 1,414,008	$ 975,187	$ 2,389,195
Accumulated depreciation	-	(500,638)	(500,638)
	$ 1,414,008	$ 474,549	$ 1,888,557

	Land	Buildings	Total
At January 1, 2017			
Cost	$ 1,414,008	$ 975,187	$ 2,389,195
Accumulated depreciation	-	(462,349)	(462,349)
	$ 1,414,008	$ 512,838	$ 1,926,846
2017			
Opening net book amount as at January 1	$ 1,414,008	$ 512,838	$ 1,926,846
Depreciation charge	-	(19,144)	(19,144)
Closing net book amount as at December 31	$ 1,414,008	$ 493,694	$ 1,907,702
At December 31, 2017			
Cost	$ 1,414,008	$ 975,187	$ 2,389,195
Accumulated depreciation	-	(481,493)	(481,493)
	$ 1,414,008	$ 493,694	$ 1,907,702

A. Rental income from the investment property and direct operating expenses arising from the investment property are shown below:

	Year ended December 31, 2018	Year ended December 31, 2017
Rental income from investment property	$ 101,447	$ 102,753
Direct operating expenses arising from the investment property that generated rental income during the year	$ 19,145	$ 19,144
Direct operating expenses arising from the investment property that did not generate rental income during the year	$ -	$ -

B. The fair value of the investment property held by the Company as at December 31, 2018 and 2017 was $3,566,686 and $3,562,523, respectively. The fair value measurements were based on the market prices of recently sold properties in the immediate vicinity of a certain property, which is categorised within Level 2 in the fair value hierarchy.

C. Information about the investment property that was pledged to others as collaterals is provided in Note 8.

(10) Other current assets

	December 31, 2018	December 31, 2017
Prepayments for equipment	$ 957,350	$ 3,235,888
Refundable deposits	19,261	18,415
	$ 976,611	$ 3,254,303

A. Amount of borrowing costs capitalized as part of prepayment for equipment and the range of the interest rates for such capitalization are as follows:

	Year ended December 31, 2018	Year ended December 31, 2017
Amount capitalised	$ 31,368	$ 42,773
Interest rate	0.86%~1.59%	1.31%~1.59%

B. Movement in prepayments for equipment for the years ended December 31, 2018 and 2017 are as follows:

	Year ended December 31, 2018	Year ended December 31, 2017
At January 1	$ 3,235,888	$ 2,656,169
Additions	6,269,586	2,359,501
Reclassified to property, plant and equipment	(8,548,124)	(1,779,782)
At December 31	$ 957,350	$ 3,235,888

(11) Other current liabilities

	December 31, 2018	December 31, 2017
Long-term liabilities - current portion	$ 6,376,400	$ 7,738,706
Shipowner's accounts	1,609,680	1,939,253
Agency accounts	1,047,237	1,329,979
Others	7,503	21,980
	$ 9,040,820	$ 11,029,918

(12) Corporate bonds payable

	December 31, 2018	December 31, 2017
Domestic secured corporate bonds	$ 10,000,000	$ 8,000,000
Less: Current portion or exercise of put options	-	-
	$ 10,000,000	$ 8,000,000

A. On June 27, 2018, the Company issued its fourteenth domestic secured corporate bonds (referred herein as the "Fourteenth Bonds"), totaling $2,000,000, with each par value of $1,000. On June 7, 2018, the Bonds were qualified as the green bonds based on the Securities-TPEx-Bond No. 1070014617 issued by Taipei Exchange. The major terms of the issuance are set forth below:

(a) Period: 5 years (June 27, 2018 to June 27, 2023)

(b) Coupon rate: 0.86% fixed per annum

(c) Principal repayment and interest payment

Repayments for the Fourteenth Bonds are paid annually on coupon rate, starting a year from the issuing date. The principal of the Fourteenth Bonds shall be repaid in lump sum at maturity.

(d) Collaterals

The Fourteenth Bonds are secured and are guaranteed by First Commercial Bank.

B. On April 25, 2017, the Company issued its thirteenth domestic secured corporate bonds (referred herein as the "Thirteenth Bonds"), totaling $8,000,000. The Thirteenth Bonds are categorized into Bond A, B, C, D, E, F and G, depending on the guarantee institution. Bond A totals $2,000,000, and the rest total $6,000,000, with each par value of $1,000,000. The major terms of the issuance are set forth below:

(a) Period: 5 years (April 25, 2017 to April 25, 2022)

(b) Coupon rate: 1.05% fixed per annum

(c) Principal repayment and interest payment

Repayments for the Thirteenth Bonds are paid annually on coupon rate, starting a year from the issuing date. For each category of the bonds mentioned above, half the principal must be paid at the end of the fourth year, and another half at the maturity date.

(d) Collaterals

The Thirteenth Bonds are secured. Bond A is guaranteed by Hua Nan Bank, Bond B is guaranteed by First Bank, Bond C is guaranteed by Mega International Commercial Bank, Bond D is guaranteed by Land Bank of Taiwan, Bond E is guaranteed by Chang Hwa Bank, Bond F is guaranteed by Taiwan Cooperative Bank, and Bond G is guaranteed by Bank Sinopac.

C. On April 26, 2012, the Company issued its twelfth domestic secured corporate bonds (referred herein as the "Twelfth Bonds"), totaling $3,000,000. The Twelfth Bonds are categorized into Bond A and B, depending on the guarantee institution. Bond A totals $2,000,000, and Bond B totals $1,000,000. The major terms of the issuance are set forth below:

(a) Period: 5 years (April 26, 2012 to April 26, 2017)

(b) Coupon rate: 1.28% fixed per annum

(c) Principal repayment and interest payment

Repayments for the Twelfth Bonds are paid annually on coupon rate, starting a year from the issuing date. The principal of the Twelfth Bonds shall be repaid in lump sum at maturity.

(d) Collaterals

The Twelfth Bonds are secured. Bond A are guaranteed by Bank Sinopac, and Bond B are guaranteed by Far Eastern International Bank.

(13) Long-term loans

	December 31, 2018	December 31, 2017
Secured bank loans	$ 22,579,047	$ 18,945,840
Unsecured bank loans	17,296,382	20,745,040
Add: Unrealized foreign exchange loss	223,179	10,339
Less: Deferred expenses - hosting fee credit	(13,417)	(10,627)
	40,085,191	39,690,592
Less: Current portion (recorded as other current liabilities)	(6,376,400)	(7,738,706)
	$ 33,708,791	$ 31,951,886
Maturity range	2019.03~2027.03	2018.04~2027.03
Interest rate	1.12%~3.80%	1.18%~2.56%

Please refer to Note 8 for details of the collaterals pledged for the above long-term loans.

(14) Other non-current liabilities

	December 31, 2018	December 31, 2017
Accrued pension liabilities	$ 1,321,223	$ 1,453,219
Guarantee deposits received	12,370	12,053
	$ 1,333,593	$ 1,465,272

(15) Pension

A.(a)In accordance with the Labor Standards Act ("the Act"), covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 15% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(b)The amounts recognised in the balance sheet are as follows:

	December 31, 2018	December 31, 2017
Present value of defined benefit obligations	($ 1,847,634)	($ 1,893,481)
Fair value of plan assets	526,411	440,262
Net defined benefit liability	($ 1,321,223)	($ 1,453,219)

(c)Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Year ended December 31, 2018			
Balance at January 1	($ 1,893,481)	$ 440,262	($ 1,453,219)
Current service cost	(16,532)	-	(16,532)
Interest (expense) income	(18,286)	4,290	(13,996)
	(1,928,299)	444,552	(1,483,747)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	14,422	14,422
Change in financial assumptions	-	-	-
Experience adjustments	(61,944)	-	(61,944)
	(61,944)	14,422	(47,522)
Pension fund contribution	-	184,249	184,249
Paid pension	142,609	(116,812)	25,797
Balance at December 31	($ 1,847,634)	$ 526,411	($ 1,321,223)

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Year ended December 31, 2017			
Balance at January 1	($ 1,952,460)	$ 472,588	($ 1,479,872)
Current service cost	(18,595)	-	(18,595)
Interest (expense) income	(23,400)	5,556	(17,844)
	(1,994,455)	478,144	(1,516,311)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	(1,045)	(1,045)
Change in financial assumptions	(45,806)	-	(45,806)
Experience adjustments	(34,747)	-	(34,747)
	(80,553)	(1,045)	(81,598)
Pension fund contribution	-	127,890	127,890
Paid pension	181,527	(164,727)	16,800
Balance at December 31	($ 1,893,481)	$ 440,262	($ 1,453,219)

(d)The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2018 and 2017 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e)The principal actuarial assumptions used were as follows:

	Year ended December 31, 2018	Year ended December 31, 2017
Discount rate	1.00%	1.00%
Future salary increases	2.00%	2.00%

Assumptions regarding future mortality rate was estimated based on the 5th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2018				
Effect on present value of defined benefit obligation	($ 44,122)	$ 45,798	$ 29,815	($ 28,837)
December 31, 2017				
Effect on present value of defined benefit obligation	($ 45,806)	$ 47,594	$ 30,388	($ 29,361)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f)Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2018 amounts to $103,676.

(g)As of December 31, 2018, the weighted average duration of the retirement plan is 10 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	$ 97,329
1~2 year	95,085
2~5 years	309,243
Over 5 years	1,505,289
	$ 2,006,946

B.(a)Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b)The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2018 and 2017 were $52,913 and $48,188, respectively.

(16) Capital stock

A. As of December 31, 2018, the Company's authorised capital was $50,000,000, and the paid-in capital was $45,129,738, divided into 4,512,974 thousand shares of common stocks with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

B. On August 11, 2017, the Board of Directors of the Company resolved to increase capital of $5,000,000 by issuing 500,000 thousand shares at a par value of $10 (in dollars) per share. Of which 50,000 thousand shares are reserved for employee stock purchase plan. The proposal of capital increase has been reported and become effective on December 5, 2017. The amount of shares was $7,711,222. All proceeds from share issuance was completed on December 27, 2017.

C. The stockholders at their annual stockholders meeting on June 21, 2018, resolved to issue 200,618 thousand shares through capitalization of unappropriated retained earnings of $2,006,178. The proposal of the capitalisation of earnings was filed online with the Securities and Futures Bureau of the Financial Supervisory Commission and went into effect on July 31, 2018. The Company had filed registration of the capital increase through capitalisation of earnings with the Ministry of Economic Affairs on September 18, 2018.

D. On August 13, 2018, the Board of Directors of the Company resolved to increase capital of $3,000,000 by issuing 300,000 thousand shares at a par value of $10 (in dollars) per share. Of which 50,000 thousand shares are reserved for employee stock purchase plan. The proposal of capital increase has been reported and become effective on November 28, 2018. The amount of shares was $3,226,890. All proceeds from share issuance was completed on December 21, 2018.

(17) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	Year ended December 31, 2018				
	Share premium	Employee stock options exercised	Adjustments to share of changes in equity of associates and joint ventures	Donated assets	Others
At January 1	$ 8,606,393	$76,280	$ 2,148,243	$ 446	$ 6,713
Issuance of common stock for cash	226,890	17,610	-	-	-
Recognition of change in equity of associates in portion to the Company's ownership	-	-	(23,430)	-	-
At December 31	$ 8,833,283	$93,890	$ 2,124,813	$ 446	$ 6,713

	Year ended December 31, 2017				
	Share premium	Employee stock options exercised	Adjustments to share of changes in equity of associates and joint ventures	Donated assets	Others
At January 1	$ 5,895,171	$ -	$ 2,086,684	$ 446	$ 6,713
Issuance of common stock for cash	2,711,222	76,280	-	-	-
Recognition of change in equity of associates in portion to the Company's ownership	-	-	61,559	-	-
At December 31	$ 8,606,393	$ 76,280	$ 2,148,243	$ 446	$ 6,713

(18) Retained earnings

	Year ended December 31, 2018	Year ended December 31, 2017
At January 1	$ 6,769,575	($ 4,248,211)
Retrospective application	276,681	-
Balance at 1 January after adjustments	$ 7,046,256	($ 4,248,211)
Profit for the year	293,919	7,005,171
Legal reserve used to cover accumulated deficit	-	4,248,211
Distribution of earnings	(3,509,166)	-
Remeasurement on post employment benefit obligations, net of tax	(71,341)	(235,596)
Adjustments to share of changes in equity of associates and joint ventures	3,643	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	13,332	-
At December 31	$ 3,776,643	$ 6,769,575

A.According to the Company's Articles of Incorporation, if there is any profit for a fiscal year, the Company shall first make provision for income tax and cover prior years' losses, then appropriate 10% of the residual amount as legal reserve. Dividends shall be proposed by the Board of Directors and resolved by the stockholders.

B.Dividend policy

The Company is currently at the stable growth stage. In order to facilitate future expansion plans, dividends to stockholders are distributed mutually in the form of both cash and stocks with the basic principle that the ratio of cash dividends to total stock dividends shall not be lower than 10%.

C.Legal reserve

Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.

D.In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

E.(a)For the year ended December 31, 2016, the Company incurred accumulated deficit. On June 22, 2017, the Board of Directors proposed to offset the accumulated deficit totaling $4,248,211 with the legal reserve.

(b)The appropriation of 2017 earnings was adopted by the stockholders on June 21, 2018 is as follows:

	Year ended December 31, 2017	
	Amount	Dividend per share (in dollars)
Accrual of legal reserve	$ 700,517	
Appropriate cash dividends to shareholders	$ 802,471	$ 0.2
Appropriate stock dividends to shareholders	$ 2,006,178	$ 0.5

F. The appropriation of 2018 earnings was adopted by the Board of Directors on March 22, 2019 is as follows:

	Year ended December 31, 2018	
	Amount	Dividend per share (in dollars)
Accrual of legal reserve	$ 29,392	
Appropriate cash dividends to shareholders	$ -	$ -
Appropriate stock dividends to shareholders	$ -	$ -

As of March 22, 2019, the above-mentioned 2018 earnings appropriation had not been resolved by the stockholders.

G.For information relating to employees' and directors' remuneration, please refer to Note 6(26).

(19) Other equity items

	Unrealised gains (losses) on valuation	Hedging reserve	Currency translation	Total
At January 1, 2018	$ 1,833,339	($ 15,912)	($ 1,135,114)	$ 682,313
Effects of retrospective application	(279,677)	-	-	(279,677)
Balance at January 1 after retrospective adjustments	$ 1,553,662	($ 15,912)	($ 1,135,114)	$ 402,636
Revaluation – gross	67,238	-	-	67,238
Revaluation – tax	(6,350)	-	-	(6,350)
Revaluation – associates	(362,259)	-	-	(362,259)
Revaluation transferred to retained eranings – gross	(13,332)	-	-	(13,332)
Revaluation transferred to retained eranings – associates	(4,734)	-	-	(4,734)
Cash flow hedges:				
– Fair value loss in the period				
– Associates	-	(42,737)	-	(42,737)
Currency translation differences:				
– Parent	-	-	1,004,409	1,004,409
– Parent – tax	-	-	746	746
– Associates	-	-	147,539	147,539
At December 31, 2018	$ 1,234,225	($ 58,649)	$ 17,580	$ 1,193,156

	Unrealised gains (losses) on valuation	Hedging reserve	Currency translation	Total
At January 1, 2017	$ 1,703,161	($ 67,895)	$ 1,254,622	$ 2,889,888
Revaluation – gross	(92,521)	-	-	(92,521)
Revaluation – tax	239	-	-	239
Revaluation – associates	222,460	-	-	222,460
Cash flow hedges:				
– Fair value gain in the period				
– Associates	-	51,983	-	51,983
Currency translation differences:				
– Parent	-	-	(2,046,070)	(2,046,070)
– Parent – tax	-	-	2,295	2,295
– Associates	-	-	(345,961)	(345,961)
At December 31, 2017	$ 1,833,339	($ 15,912)	($ 1,135,114)	$ 682,313

(20) Operating revenue

		Year ended December 31, 2018
Revenue from contracts with customers	$	33,747,653
Other - ship rental and slottage income		246,918
	$	33,994,571

A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of services over time and at a point in time in the following major businesses:

Year ended December 31, 2018	Asia	America	Europe	Other	Total
Revenue from external customer contracts	$ 10,056,018	$ 14,570,446	$ 5,788,675	$ 1,002,475	$ 31,417,614
Inter-segment revenue	112,805	1,493,799	723,435	-	2,330,039
Total segment revenue	$ 10,168,823	$ 16,064,245	$ 6,512,110	$ 1,002,475	$ 33,747,653

B. Contract assets and liabilities

The Company has recognised the following revenue-related contract assets and liabilities:

		December 31, 2018
Contract assets:		
Contract assets relating to marine freight income	$	682,327
Contract liabilities:		
Contract liabilities – unearned marine freight income	$	431,290

Revenue recognised that was included in the contract liability balance at the beginning of the period

		Year ended December 31, 2018
Marine freight income	$	453,208

C. Related disclosures for 2017 operating revenue are provided in Note 12(5) B.

(21) Other gains -net

		Year ended December 31, 2018		Year ended December 31, 2017
Gains on disposal of property, plant and equipment	$	7,594	$	316,314

(22) Other income

	Year ended December 31, 2018	Year ended December 31, 2017
Rental revenue	$ 102,599	$ 104,056
Dividend income	58,560	46,965
Interest income:		
Interest income from bank deposits	256,984	237,683
Interest income from financial assets other than financial assets at fair value through profit or loss	2,200	2,339
Gain from bargain purchase	-	1,534
Other income – others	160,441	99,783
	$ 580,784	$ 492,360

(23) Other gains and losses

	Year ended December 31, 2018	Year ended December 31, 2017
Net currency exchange gains	$ 123,543	$ 13,664
Gains on disposal of investments	-	523,111
Depreciation charges on investment property	(19,145)	(19,144)
Other non-operating expenses	(84,917)	(82,460)
	$ 19,481	$ 435,171

(24) Finance costs

	Year ended December 31, 2018	Year ended December 31, 2017
Interest expense:		
Bank borrowings	$ 624,139	$ 607,606
Corporate bonds	92,859	69,863
Other	6	-
	717,004	677,469
Less: Capitalisation of qualifying assets	(31,368)	(42,772)
Finance costs	$ 685,636	$ 634,697

(25) Expenses by nature

	Year ended December 31, 2018	Year ended December 31, 2017
Employee benefit expense	$ 2,057,266	$ 2,182,088
Depreciation charges on property, plant and equipment	2,032,961	1,752,639
Amortisation charges on intangible assets	20,572	19,591
Stevedorage	10,489,596	8,659,477
Inland haulage and canal due	7,230,512	6,634,472
Bunker fuel	5,780,146	3,599,512
Operating lease payments	3,078,682	3,071,399
Commission	1,617,074	1,339,333
Port charge	1,289,220	1,049,814
Ship supplies and lubricant oil	276,155	215,764
Professional service and data service expenses	223,548	214,507
Other operating costs and expenses	325,123	242,667
	$ 34,420,855	$ 28,981,263

(26) Employee benefit expense

	Year ended December 31, 2018	Year ended December 31, 2017
Wages and salaries	$ 1,740,534	$ 1,889,163
Labor and health insurance fees	131,854	112,773
Pension costs	83,441	84,627
Directors' remuneration	9,303	20,091
Other personnel expenses	92,134	75,434
	$ 2,057,266	$ 2,182,088

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 0.5% for employees' compensation and shall not be higher than 2% for directors' remuneration.

B. (a)For the year ended December 31, 2018, employees' compensation and directors' remuneration was accrued at $2,560 and $0, respectively. The aforementioned amounts were recognised in salary expenses.

(b)The employees' compensation and directors' remuneration were estimated and accrued based on 0.5% and 0% of distributable profit of current year for the year ended December 31, 2018.

(c)For the year ended December 31, 2017, employees' compensation and directors' remuneration were accrued at $36,322 and $10,207, respectively. The aforementioned amounts was recognised in salary expenses.

Employees' compensation and directors' remuneration of 2017 as resolved by he Board of Directors were in agreement with those amounts recognised in the profit or loss of 2017.

Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(27) Income tax

A.Income tax expense

(a)Components of income tax expense:

	Year ended December 31, 2018	Year ended December 31, 2017
Current tax:		
Current tax on profits for the year	$ -	$ -
Tax on undistributed earnings	283,973	-
Alternative Minimum Tax	-	31,399
Prior year income tax overestimation	(4,738)	-
Total current tax	279,235	31,399
Deferred tax:		
Origination and reversal of temporary differences	(110,609)	181,338
Impact of change in tax rate	46,959	-
Total deferred tax	(63,650)	181,338
Income tax expense	$ 215,585	$ 212,737

(b)The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Year ended December 31, 2018	Year ended December 31, 2017
Changes in fair value of available -for-sale financial assets	($ 6,699)	$ 239
Currency translation differences	(33)	2,295
Remeasurement of defined benefit obligations	9,504	13,872
Share of other comprehensive income of associates	18,392	(5,898)
Impact of change in tax rate	4,891	-
	$ 26,055	$ 10,508

(c)The income tax charged/(credited) to equity during the period is as follows:

	Year ended December 31, 2018	Year ended December 31, 2017
Reduction in capital surplus caused by recognition of foreign investees based on the shareholding ratio	($ 115)	($ 95)
Reduction in retained earnings caused by recognition of foreign not based on the shareholding ratio	146	-
Effects of retrospective application	182	-
Impact of change in tax rate	95	-
	$ 308	($ 95)

B.Reconciliation between income tax expense and accounting profit

	Year ended December 31, 2018	Year ended December 31, 2017
Tax calculated based on profit before tax and statutory tax rate	$ 101,901	$ 1,227,044
Expenses disallowed by tax regulation	18,293	10,919
Tax exempt income by tax regulation	(299,273)	(1,026,390)
Prior year income tax overestimation	(4,738)	-
Effect from Alternative Minimum Tax	-	31,399
Effect from investment tax credits	42,068	(42,068)
Effect from tax losses	26,647	7,984
Tax on undistributed earnings	283,973	-
Change in assessment of realisation of deferred tax assets	(245)	-
Impact of change in tax rate	46,959	-
Prior year income tax (over) underestimation	-	3,849
Income tax expense	$ 215,585	$ 212,737

C.Amounts of deferred tax assets or liabilities as a result of temporary differences, loss carryforward and investment tax credits are as follows:

	2018				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	December 31
－Deferred tax assets:					
Temporary differences:					
Bad debts expense	$ 13,546	$ 2,689	$ -	$ 182	$ 16,417
Loss on valuation of financial assets	1,979	-	(1,979)	-	-
Deferred profit	13,918	670	-	-	14,588
Unrealized expense	11,364	2,974	-	-	14,338
Unrealized exchange loss	39,452	(8,306)	-	-	31,146
Pension expense	197,241	(1,096)	-	-	196,145
Actuarial losses/(gains)	49,805	-	18,294	-	68,099
Investment tax credits	42,068	(42,068)	-	-	-
Net operating loss carryforward	192,612	153,005	-	-	345,617
	561,985	107,868	16,315	182	686,350
－Deferred tax liabilities:					
Temporary differences:					
Gain on valuation of financial assets	$ -	$ -	($ 4,371)	$ -	($ 4,371)
Equity-accounted investment income	(758,411)	(44,426)	14,111	126	($ 788,600)
Gain on bargain purchase	(208)	208	-	-	-
	(758,619)	(44,218)	9,740	126	(792,971)
	($ 196,634)	$ 63,650	$ 26,055	$ 308	($ 106,621)

	2017				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	December 31
—Deferred tax assets:					
Temporary differences:					
Bad debts expense	$ 13,060	$ 486	$ -	$ -	$ 13,546
Loss on valuation of financial assets	1,740	-	239	-	1,979
Deferred profit	16,708	(2,790)	-	-	13,918
Unrealized expense	11,531	(167)	-	-	11,364
Unrealized exchange loss	49,343	(9,891)	-	-	39,452
Pension expense	215,644	(18,403)	-	-	197,241
Actuarial losses/(gains)	35,933	-	13,872	-	49,805
Investment tax credits	-	42,068	-	-	42,068
Net operating loss carryforward	176,711	15,901	-	-	192,612
	520,670	27,204	14,111	-	561,985
—Deferred tax liabilities:					
Temporary differences:					
Equity-accounted investment income	($ 546,379)	($ 208,334)	($ 3,603)	($ 95)	($ 758,411)
Gain on bargain purchase	-	(208)	-	-	(208)
	(546,379)	(208,542)	(3,603)	(95)	(758,619)
	($ 25,709)	($ 181,338)	$ 10,508	($ 95)	($ 196,634)

D. Details of the amount the Company is entitled as investment tax credit and unrecognised deferred tax assets are as follows:

December 31, 2018: None.

	December 31, 2017		
Qualifying items	Unused tax credits	Unrecognised deferred tax assets	Expiry year
Investments in emerging important strategic industries	$ 42,068	$ -	2020

E.Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2018				
Year incurred	Amount filed	Unused tax credits	Unrecognised deferred tax assets	Final year tax credits are due
2018	$ 671,047	$ 671,047	$ -	2028
2017	40,204	40,204	-	2027
2016	747,045	747,045	-	2026
2015	269,787	269,787	-	2025
	$ 1,728,083	$ 1,728,083	$ -	

December 31, 2017				
Year incurred	Amount filed	Unused tax credits	Unrecognised deferred tax assets	Final year tax credits are due
2017	$ 116,177	$ 116,177	$ -	2027
2016	747,045	747,045	-	2026
2015	269,787	269,787	-	2025
	$ 1,133,009	$ 1,133,009	$ -	

F. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2018 and 2017, the amounts of temporary difference unrecognised as deferred tax liabilities were $13,656,982 and $13,018,473, respectively.

G.As of December 31, 2018, the Company's income tax returns through 2016 have been assessed and approved by the Tax Authority.

H.Under the amendments to the Income Tax Act which was promulgated by the President of the Republic of China in February, 2018, the Company's applicable income tax rate was raised from 17% to 20% effective from January 1, 2018. The Company has assessed the impact of the change in income tax rate.

(28) Earnings (loss) per share

	Year ended December 31, 2018		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 293,919	4,240,919	$ 0.07
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 293,919	4,240,919	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	215	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 293,919	4,241,134	$ 0.07

	Year ended December 31, 2017		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 7,005,171	3,726,809	$ 1.88
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 7,005,171	3,726,809	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	3,375	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 7,005,171	3,730,184	$ 1.88

(29) Supplemental cash flow information

Investing activities with partial cash payments

A. Property, plant and equipment

	Year ended December 31, 2018	Year ended December 31, 2017
Purchase of property, plant and equipment	$ 1,414,270	$ 1,053,956
Add: Opening balance of payable on equipment	8,429	6,167
Less: Ending balance of payable on equipment	(4,274)	(8,429)
Cash paid during the year	$ 1,418,425	$ 1,051,694

B.Prepayment for equipment (recorded as other non-current assets)

	Year ended December 31, 2018	Year ended December 31, 2017
Purchase of prepayments for equipment	$ 6,269,586	$ 2,359,500
Add: Opening balance of payable on prepayments for equipment	38,001	123,685
Less: Ending balance of payable on prepayments for equipment	(154)	(38,001)
Capitalisation of qualifying assets	(31,368)	(42,773)
Cash paid during the year	$ 6,276,065	$ 2,402,411

(30) Changes in liabilities from financing activities

	Long-term borrowings
At January 1, 2018	$ 39,690,592
Changes in cash flow from financing activities	397,389
Impact of changes in foreign exchange rate	(2,790)
At December 31, 2018	$ 40,085,191

7. RELATED PARTY TRANSACTIONS

(1) Names of the related parties and their relationship with the Company

Names of related parties	Relationship with the Company
Taiwan Terminal Services Co., Ltd. (TTSC)	Subsidiary
Peony Investment S.A. (Peony)	Subsidiary
Everport Terminal Services Inc. (ETS)	Subsidiary
Evergreen Marine (Hong Kong) Ltd. (EGH)	(A subsidiary since December 18, 2017)
Evergreen Marine Corp. (Malaysia) SDN BHD (EGM)	Indirect subsidiary
Kingtrans International Logistics (Tianjin) Co., Ltd. (KTIL)	Indirect subsidiary
Clove Holding Ltd. (CLOVE)	Indirect subsidiary
PT. Multi Bina Transport (MBT)	Indirect subsidiary
PT. Multi Bina Pura International (MBPI)	Indirect subsidiary
Greencompass Marine S.A. (GMS)	Indirect subsidiary
Evergreen Heavy Industrial Co., (Malaysia) Berhad. (EHIC(M))	Indirect subsidiary
Evergreen Marine (UK) Limited (EMU)	Indirect subsidiary
Evergreen Shipping Agency (Europe) GmbH (EEU)	Indirect subsidiary (Note)
Evergreen Shipping Agency (Switzerland) S.A. (EGDL)	Indirect subsidiary (Note)
Evergreen Shipping Agency (Netherlands) B.V. (EGN)	Indirect subsidiary (Note)

Names of related parties	Relationship with the Company
Evergreen Shipping Agency (Poland) SP.ZO.O (EGD-WWX)	Indirect subsidiary (Note)
Evergreen Shipping Agency France S.A. (EGF)	Indirect subsidiary (Note)
Evergreen Shipping Agency (Austria) GmbH (EGDV)	Indirect subsidiary (Note)
Evergreen Argentina S.A. (EGB)	Indirect subsidiary
Evergreen Shipping (Spain) S.L. (EES)	Indirect subsidiary
Evergreen Shipping Agency (Italy) S.p.A. (EIT)	Indirect subsidiary
Island Equipment LLC. (Island)	Indirect subsidiary (Note 1)
Armand Investment (Netherlands) N.V. (Armand N.V.)	Indirect subsidiary
Evergreen Shipping Agency (Australia) Pty. Ltd. (EMA)	Indirect subsidiary
Evergreen Shipping Agency (Thailand) Co., Ltd. (EGT)	Indirect subsidiary
Evergreen Shipping Agency (India) Pvt. Ltd. (EGI)	Indirect subsidiary
Evergreen Shipping Agency (Russia) Ltd. (ERU)	Indirect subsidiary
Evergreen Agency (South Africa) (Pty) Ltd. (ESA)	Indirect subsidiary
Evergreen Shipping Agency (Korea) Corporation (EGK)	Indirect subsidiary
Armand Estate B.V. (Armand B.V.)	Indirect subsidiary
Whitney Equipment LLC. (Whitney)	Indirect subsidiary
Hemlock Equipment LLC. (Hemlock)	Indirect subsidiary (Note 1)
Evergreen Shipping Agency (Vietnam) Corp. (EGV)	(A subsidiary since January 1, 2018)
Evergreen Shipping Services (Cambodia) Co., Ltd. (EKH)	Indirect subsidiary
Evergreen Shipping Agency (Chile) SPA. (ECL)	Indirect subsidiary
Evergreen Shipping Agency (PERU) S.A.C. (EPE)	Indirect subsidiary
Evergreen Shipping Agency (Colombia) S.A.S. (ECO)	Indirect subsidiary
Evergreen Shipping Agency Mexico S.A. DE C.V. (EMX)	Indirect subsidiary
Master International Shipping Agency Co., Ltd. (MAC)	Indirect subsidiary
Evergreen International Storage and Transport Corporation (EITC)	Associate
EVA Airways Corporation (EVA)	Associate
Evergreen Security Corporation (ESC)	Associate
Charng Yang Development Co., Ltd. (CYD)	Associate
Taipei Port Container Terminal Corporation (TPCT)	Associate
Ningbo Victory Container Co., Ltd. (NVC)	Associate
Qingdao Evergreen C&T Co., Ltd. (QECT)	Associate

Names of related parties	Relationship with the Company
Evergreen Marine (Latin America), S.A. (ELA)	Associate
Green Peninsula Agencies SDN. BHD. (GPA)	Associate
Luanta Investment (Netherlands) N.V. (Luanta)	Associate
Balsam Investment (Netherlands) N.V. (Balsam)	Associate
Italia Marittima S.p.A. (ITS)	Associate
Colon Container Terminal S.A. (CCT)	Associate
PT. Evergreen Shipping Agency Indonesia (EMI)	Associate
Evergreen Shipping Agency Co. (U.A.E) LLC (UAE)	Associate
Evergreen International Corporation (EIC)	Other related party
Evergreen Airline Services Corporation (EGAS)	Other related party
Chang Yung-Fa Charity Foundation (CYFC)	Other related party
Chang Yung-Fa Foundation (CYFF)	Other related party
Ever Accord Construction Corporation (EAC)	Other related party
Evergreen Aviation Technologies Corporation (EGAT)	Other related party
Evergreen Sky Catering Corporation (EGSC)	Other related party
Evergreen Air Cargo Services Corporation (EGAC)	Other related party
Evergreen Aviation Precision Corporation (EGAP)	Other related party
Evergreen International S.A. (EIS)	Other related party
Evergreen Marine (Singapore) Pte. Ltd. (EMS)	Other related party
Gaining Enterprise S.A. (GESA)	Other related party
Evergreen Insurance Company Ltd. (EINS)	Other related party
Evergreen Shipping Agency (America) Corporation (EGA)	Other related party
Evergreen Shipping Agency (Japan) Corporation (EGJ)	Other related party
Evergreen Shipping Agency Philippines Corporation (EGP)	Other related party
Evergreen International Muanmar Co., Ltd. (EIM)	Other related party
Chestnut Estate B.V. (Chestnut)	Other related party

Note: Indirect subsidiary of Evergreen Shipping Agency (Deutschland) GmbH (EGD), reorganization of EGDL, EGN, EGD-WWX, EGF amd EDGV, was renamed Evergreen Shipping Agency (Europe) GmbH (EEU).

Note 1: On December 20, 2017, shareholders of the subsidiary, ETS, resolved to make an equity transaction that shareholders of ETS merge its subsidiary, Island, and its second-tier subsidiaries, Hemlock and Whitney, on January 1, 2018.

(2) Significant related party transactions and balances

A.Sales of services:

	Year ended December 31, 2018	Year ended December 31, 2017
Sales of services:		
Subsidiaries	$ 2,343,257	$ 1,955,857
Associates	501,188	594,746
Other related parties	2,875,697	2,867,820
	$ 5,720,142	$ 5,418,423

The business terms on which the company transacts with related parties are of no difference from those with non-related parties.

B.Purchases of services:

	Year ended December 31, 2018	Year ended December 31, 2017
Purchases of services:		
Subsidiaries	$ 5,048,484	$ 4,181,646
Associates	967,256	1,160,689
Other related parties	2,552,882	2,350,303
	$ 8,568,622	$ 7,692,638

Services are purchased from subsidiaries, associates and other related parties under general conditions.

C. Receivables from related parties:

	December 31, 2018	December 31, 2017
Accounts receivable:		
Subsidiaries	$ 19,082	$ 41,619
Associates	31,688	24,894
Other related parties	48,853	146,930
	$ 99,623	$ 213,443

	December 31, 2018	December 31, 2017
Other receivables:		
Subsidiaries		
－Hemlock	$ -	$ 95,333
－Others	552	764
Associates	627	2,024
Other related parties		
－EIC	179,593	162,431
－Others	165	236
	$ 180,937	$ 260,788

The receivables from related parties arise mainly from sale transactions. The receivables are unsecured in nature and bear no interest. There are no provisions against receivables from related parties.

D. Payables to related parties:

	December 31, 2018	December 31, 2017
Accounts payable:		
Subsidiaries	$ 168,691	$ 107,203
Associates	22,679	13,230
Other related parties	2,461	4,462
	$ 193,831	$ 124,895

	December 31, 2018	December 31, 2017
Other payables:		
Subsidiaries	$ 28	$ -
Associates	4,224	3,251
Other related parties	2,431	11,667
	$ 6,683	$ 14,918

The payables to related parties arise mainly from purchase transactions. The payables bear no interest.

E. Agency accounts:

(a)Debit balance of agency accounts

	December 31, 2018	December 31, 2017
Subsidiaries		
—EGI	$ 72,695	$ 5,116
—MAC	44,944	-
—Others	16,060	581
	$ 133,699	$ 5,697

(b)Credit balance of agency accounts

	December 31, 2018	December 31, 2017
Subsidiaries	$ 99,533	$ 84,761
Associates	104,353	105,552
Other related parties		
—EGA	441,655	174,272
—EGJ	185,565	139,998
—Others	90,464	71,198
	$ 921,570	$ 575,781

F. Shipowner's accounts:

(a)Debit balance of shipowner's accounts

	December 31, 2018	December 31, 2017
Subsidiaries		
－EMU	$ 675,749	$ 595,393
－GMS	114,568	-
Associates		
－ITS	279,431	-
Other related parties		
－EIS	180,684	328,897
－GESA	20,409	25,028
－EMS	-	16,246
	$ 1,270,841	$ 965,564

(b)Credit balance of shipowner's accounts

	December 31, 2018	December 31, 2017
Subsidiaries		
－GMS	$ -	$ 362,323
－EGH	613,053	301,631
Associates		
－ITS	-	700,046
Other related parties		
－EMS	996,627	-
	$ 1,609,680	$ 1,364,000

G. Property transactions:

Acquisition of property, plant and equipment:

	Year ended December 31, 2018	Year ended December 31, 2017
Subsidiaries	$ -	$ 89
Associates	-	4,350
Other related parties	-	61
	$ -	$ 4,500

H.Endorsements and guarantees provided to related parties:

	December 31, 2018	December 31, 2017
Subsidiaries	$ 100,417,641	$ 66,554,130
Associates	3,143,008	3,035,391
	$ 103,560,649	$ 69,589,521

I. On August 11, 2017, the Board of Directors resolved to have the Company acquire 79% of the shares of EGH from other related party Evergreen International S.A. The acquisition date was December 18, 2017, and the transaction amount was $6,371,572 (approx. USD $209,350).

(3) Key management compensation

	Year ended December 31, 2018		Year ended December 31, 2017	
Salaries and other short-term employee benefits	$	47,772	$	105,218
Post-employment benefits		3,138		3,909
	$	50,910	$	109,127

8. PLEDGED ASSETS

The Company's assets pledged as collateral are as follows:

	Book value				
Pledged assets	December 31, 2018		December 31, 2017		Purpose
Other financial assets					
- Pledged time deposits	$	121,632	$	117,725	Guarantee
Property, plant and equipment					
-Land		514,312		514,312	Long-term loan
-Buildings		181,001		188,363	"
-Ships		28,052,733		19,151,033	"
-Loading and unloading equipment		1,094,929		1,159,312	"
Investment property					
-Land		1,285,781		1,285,781	Long-term loan
-Buildings		452,502		470,909	"
	$	31,702,890	$	22,887,435	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A. As of December 31, 2018, the Company had delegated DBS Bank to issue Standby Letter of Credit amounting to USD 5,000 thousand.

B. A former stockholder of the Company sold some of its shares through issuance of global depository receipts (GDRs). The issuance of GDRs was approved by the SEC on June 19, 1996 as per Letter (85) Tai-Cai-Zheng (1) No. 35410. On August 2, 1996, the GDRs were approved by the UK governing authority to be listed on the London Stock Exchange and were issued in Asia, Europe and the US. The total amount of the issuance of GDRs was USD 115,000 thousand. The initial number of units issued was 5,449,592, representing 54,495,920 shares of the Company's common stock at $50.50 (in dollars) per share, and the number of supplementary units issued was 817,438. In total, the number of units issued was 6,267,030, representing 62,670,300 shares of the Company's common stock at $50.50 (in dollars) per share, and the GDRs issued amounted to USD 115,000 thousand. Another 2,116,352 units, representing 21,163,604 shares of the Company's common stock, were issued during the period from 1997 to December 31, 2018. As of December 31, 2018, 8,301,902 units were redeemed and 81,480 units were outstanding, representing 814,889 shares of the Company's common stock.

C. As of December 31, 2018, the long-term and medium-term loan facilities granted by the financial institutions with the resolution from the Board of Directors to finance the Company's purchase of new ships and general working capital requirement amounted to $41,488,820 and the unutilized credits was $1,390,212.

D. Operating lease

The estimated amount of charter expense in the following years under long-term contracts is set forth as follows:

	December 31, 2018	
Within 1 year	$	4,437,551
1~5 years		15,675,940
Over 5 years		20,420,940
	$	40,534,431

E. As of December 31, 2018, the amount of guaranteed notes issued by the Company for loans borrowed was $75,190,874.

F. To meet operational needs, the Company signed the shipbuilding contracts with Taiwan Shipbuilding Co., Ltd. and Imabari Shipbuilding Co., Ltd. As of December 31, 2018, the total price of the contracts, wherein the vessels have not yet been delivered, amounted to USD 76,160 thousand, USD53,312 thousand of which remain unpaid.

G. In response to international regulations on sulfur content in shipping fuel, the Company entered into sulfur emission abatement equipment purchase contracts with Wartsila Finland Oy and Alfa Laval Nijmegen B.V.. As of December 31, 2018, the total contract prices are USD 19,075 and EUR 6,915, respectively, and USD 16,955 and EUR 3,043 remain unpaid. The Company signed following installation contracts with Huarun Dadong Dockyard Co., Ltd.. As of December 31, 2018, the total price of the contracts amounted to USD 33,040, USD 32,020 of which remain unpaid.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On March 22, 2019, the proposal to appropriate the accumulated earnings was approved by the Board of Directors. Please refer to Note 6(18) for the details.

12. OTHERS

(1) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders and issue new shares to maintain an optimal capital.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2018	December 31, 2017
Financial assets		
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	$ 1,021,582	$ -
Available-for-sale financial assets	-	1,297,929
Held-to-maturity financial assets	-	100,000
Financial assets at amortised cost		
Cash and cash equivalents	21,672,457	23,043,513
Notes receivables	43	72
Accounts receivables	3,358,430	3,074,722
Other accounts receivables	386,167	618,853
Financial assets at amortised cost	100,000	-
Guarantee deposits paid	19,261	18,415
Other financial assets	121,632	117,725
	$ 26,679,572	$ 28,271,229
Financial liabilities		
Financial liabilities at amortised cost		
Accounts payable	$ 4,577,517	$ 3,594,958
Other accounts payable	935,319	584,602
Bonds payable (including current portion)	10,000,000	8,000,000
Long-term borrowings(including current portion)	40,085,192	39,690,592
Guarantee deposits received	12,370	12,053
	$ 55,610,398	$ 51,882,205

B. Financial risk management policies

(a)The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial position and financial performance.

(b) Risk management is carried out by the Company's Finance Department under policies approved by the Board of Directors. The Company's Finance Department identifies, evaluates and hedges financial risks in close co-operation with the Company's Operating Department. The Board of Directors provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investment in foreign operations.

ii. The Company's management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The group companies are required to hedge their entire foreign exchange risk exposure with the Company's Finance Department. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Company use forward foreign exchange contracts, transacted with Company's Finance Department. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a foreign currency that is not the entity's functional currency.

iii. The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2018		
	Foreign currency amount (In Thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 1,024,952	30.7535	$ 31,520,861
Financial liabilities			
Monetary items			
USD:NTD	$ 959,193	30.7535	$ 29,498,542

	December 31, 2017		
	Foreign currency amount (In Thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 956,693	29.7005	$ 28,414,260
Financial liabilities			
Monetary items			
USD:NTD	$ 908,807	29.7005	$ 26,992,022

iv. The total exchange gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2018 and 2017 amounted to $123,543 and $13,664, respectively.

v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Year ended December 31, 2018		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 315,209	$ -
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 294,985	$ -

	Year ended December 31, 2017		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 284,143	$ -
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 269,920	$ -

Price risk

i. The Company is exposed to equity securities price risk because of investments held by the Company and classified on the balance sheet either as available-for-sale or at fair value through profit or loss. The Company is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company .

ii. The Company's investments in equity securities comprise domestic listed and unlisted stocks. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, equity would have increased/decreased by \$10,097 and \$12,935 for the years ended December 31, 2018 and 2017, respectively, as a result of gains/losses on equity securities classified as available-for-sale.

Cash flow and fair value interest rate risk

i. The Company's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. During the years ended December 31, 2018 and 2017, the Company's borrowings at variable rate were denominated in the NTD and USD.

ii. At December 31, 2018 and 2017, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the years ended December 31, 2018 and 2017 would have been \$320,789 and \$329,520 lower/higher, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.

ii. The Company manages their credit risk taking into consideration the entire group's concern. According to the Company's credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.

iii. The Company adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

iv. If the default rate of an investment target exceeds 0.03%, there has been a significant increase in credit risk on that instrument since initial recognition.

v. The Company classifies customers' accounts receivable in accordance with the nature of segments. The Company applies the modified approach using probability of default to estimate expected credit loss under the provision matrix basis.

vi. The Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights. On December 31, 2018, the Company has no written-off financial assets that are still under recourse procedures.

vii. The Company used the forecastability to adjust historical and timely information to assess the default possibility of notes receivable, accounts receivable (including related parties) and contract assets. On December 31, 2018, the loss rate methodology is as follows:

	Individual	Group	Total
At December 31, 2018			
Expected loss rate	0.03%	100%	
Total book value	$ 4,042,007	$ 64,247	$ 4,106,254
Loss allowance	$ 1,207	$ 64,247	$ 65,454

viii. Movements in relation to the Company applying the modified approach to provide loss allowance for accounts receivable (including related parties) and contract assets are as follows:

	2018	
	Accounts receivable	Contract assets
At January 1_IAS 39	($ 68,482)	$ -
Adjustments under new standards	(796)	(114)
At January 1_IFRS 9	(69,278)	(114)
Provision for impairment	(206)	(91)
Effect of foreign exchange	4,235	-
At December 31	($ 65,249)	($ 205)

ix. Credit risk information of 2017 is provided in Note 12(4).

(c)Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company's Finance Department. Company's Finance Department monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs.

ii. The table below analyses the Company's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities.

Non-derivative financial liabilities:

December 31, 2018	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Accounts payable	$ 4,383,686	$ -	$ -	$ -	$ -	$ 4,383,686
Accounts payable - related parties	193,831	-	-	-	-	193,831
Other payables	857,410	71,226	-	-	-	928,636
Other payables - related parties	6,683	-	-	-	-	6,683
Bonds payable	-	101,200	101,200	10,177,600	-	10,380,000
Long-term loans (including current portion)	498,172	6,514,509	11,703,964	18,770,047	4,647,345	42,134,037

Non-derivative financial liabilities:

December 31, 2017	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Accounts payable	$ 3,470,062	$ -	$ -	$ -	$ -	$ 3,470,062
Accounts payable - related parties	124,895	-	-	-	-	124,895
Other payables	507,476	62,209	-	-	-	569,685
Other payables - related parties	14,918	-	-	-	-	14,918
Bonds payable (including current portion)	-	84,000	84,000	8,210,000	-	8,378,000
Long-term loans (including current portion)	1,460,388	6,839,680	9,582,984	16,681,547	6,968,213	41,532,812

iii. The Company does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value estimation

A.The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in listed stocks, beneficiary certificates and derivative instruments with quoted market prices is included in Level.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. Fair value information of investment property at cost is provided in Note 6(9).

C. Financial instruments not measured at fair value

(a) Except for those listed in the table below, the carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, other financial assets, accounts payable and other payables are approximate to their fair values.

	December 31, 2018	
		Fair value
	Book value	Level 3
Financial liabilities:		
Bonds payable	$ 10,000,000	$ 10,156,197
Long-term loans (including current portion)	40,085,191	42,134,037
	$ 50,085,191	$ 52,290,234

	December 31, 2017	
		Fair value
	Book value	Level 3
Financial liabilities:		
Bonds payable	$ 8,000,000	$ 8,177,927
Long-term loans (including current portion)	39,690,592	41,532,812
	$ 47,690,592	$ 49,710,739

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

(a) The related information of natures of the assets and liabilities is as follows:

December 31, 2018	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
Equity securities	$ 850,223	$ -	$ 171,359	$ 1,021,582

December 31, 2017	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Available-for-sale financial assets				
Equity securities	$ 1,144,974	$ -	$ 152,955	$ 1,297,929

(b)The methods and assumptions the Company used to measure fair value are as follows:

i. The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares
Market quoted price	Closing price

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the parent company only balance sheet date (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).

iii. When assessing non-standard and low-complexity financial instruments, the Company adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate. Structured interest derivative instruments are measured by using appropriate option pricing models (i.e. Black-Scholes model) or other valuation methods, such as Monte Carlo simulation.

v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company’s financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Company’s management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the parent company only balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

vi. The Company takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Company's credit quality.

E. For the years ended December 31, 2018 and 2017, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the years ended December 31, 2018 and 2017:

	2018	2017
At January 1	$ 152,955	$ 144,476
Acquired in the period	-	-
Decreased in the period	(924)	-
Gains and losses recognised in other comprehensive income (Note)	19,328	8,479
At December 31	$ 171,359	$ 152,955

Note: Recorded as unrealised valuation gain or loss of available-for-sale financial assets and unrealised gains or losses on valuation of investments in equity instruments measured at value through other comprehensive income

G. For the years ended December 31, 2018 and 2017, there was no transfer into or out from Level 3.

H. The Company is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2018	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 164,587	Market comparable companies	Price to earnings ratio multiple	69.55~70.77	The higher the multiple and control premium, the higher the fair value
			Price to book ratio multiple	0.89~2.36	The higher the multiple and control premium, the higher the fair value
			Discount for lack of marketability	20%~30%	The higher the weighted average cost of capital and discount for lack of control, the lower the fair value
Venture capital shares Private equity fund investment	6,772	Net asset value	Net asset value		The higher the net asset value, the higher the fair value

	Fair value at December 31, 2017	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 145,259	Market comparable companies	Price to earnings ratio multiple	20.37~31.89	The higher the multiple and control premium, the higher the fair value
			Price to book ratio multiple	0.97~1.71	The higher the multiple and control premium, the higher the fair value
			Discount for lack of marketability	20%~30%	The higher the weighted average cost of capital and discount for lack of control, the lower the fair value
Venture capital shares Private equity fund investment	7,696	Net asset value	Net asset value		The higher the net asset value, the higher the fair value

J. The Company has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in difference measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets categorised within Level 3 if the inputs used to valuation models have changed:

			December 31, 2018			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to earnings ratio/ price to book ratio/ discount for lack of marketability	±1%	$ -	$ -	$ 1,646	$ 1,646
	Net asset value	±1%	-	-	68	68
			$ -	$ -	$ 1,714	$ 1,714

			December 31, 2017			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to earnings ratio/ price to book ratio/ discount for lack of marketability	±1%	$ -	$ -	$ 1,453	$ 1,453
	Net asset value	±1%	-	-	77	77
			$ -	$ -	$ 1,530	$ 1,530

(4) Effects on initial application of IFRS 9 and information on application of IAS 39 in 2017

A. Summaries of adopting significant accounting policies in 2017:

(a) Financial assets at fair value through profit or loss

i. They are financial assets held for trading or financial assets designated as at fair value through profit or loss on initial recognition. Financial assets are classified in this category of held for trading if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as financial assets held for trading unless they are designated as hedges. Financial assets that meet one of the following criteria are designated as at fair value through profit or loss on initial recognition:

(i) Hybrid (combined) contracts; or

(ii) They eliminate or significantly reduce a measurement or recognition inconsistency; or

(iii) They are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

ii. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

iii. Financial liabilities at fair value through profit or loss are initially recognised at fair value. Related transaction costs are expensed in profit or loss. These financial liabilities are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial liabilities are recognised in profit or loss.

(b) Available-for-sale financial assets

i. They are non-derivatives that are either designated in this category or not classified in any of the other categories.

ii. On a regular way purchase or sale basis, available-for-sale financial assets are recognised and derecognised using trade date accounting.

iii. They are initially recognised at fair value plus transaction costs. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognised in other comprehensive income.

(c) Held-to-maturity financial assets

i. They are non-derivative financial assets with fixed or determinable payments and fixed maturity date that the Company has the positive intention and ability to hold to maturity other than those that meet the definition of loans and receivables and those that are designated as at fair value through profit or loss or as available-for-sale on initial recognition.

ii. On a regular way purchase or sale basis, held-to-maturity financial assets are recognised and derecognised using trade date accounting.

iii. They are initially recognised at fair value on the trade date plus transaction costs and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Amortisation of a premium or a discount on such assets is recognised in profit or loss.

(d) Notes, accounts and other receivables

Notes and accounts receivable are claims resulting from the sale of goods or services. Receivables arising from transactions other than the sale of goods or services are classified as other receivables. Notes, accounts and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. However, short-term accounts receivable without bearing interest are subsequently measured at initial invoice amount as effect of discounting is immaterial.

(e) Impairment of financial assets

i. The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

ii. The criteria that the Company uses to determine whether there is objective evidence of an impairment loss is as follows:

(i) Significant financial difficulty of the issuer or debtor;

(ii) A breach of contract,such as a default or delinquency in interest or principal payments;

(iii) The Company, for economic or legal reasons relating to the borrower's financial difficulty, granted the borrower a concession that a lender would not otherwise consider;

(iv) It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;

(v) The disappearance of an active market for that financial asset because of financial difficulties;

(vi) Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial asset in the group, including adverse changes in the payment status of borrowers in the group or national or local economic conditions that correlate with defaults on the assets in the group ;

(vii) Information about significant changes with an adverse effect that have taken place in the technology, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in the equity instrument may not be recovered; or

(viii) A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

iii. When the Company assesses that there has been objective evidence of impairment and an impairment loss has occurred, accounting for impairment is made as follows according to the category of financial assets:

(i) Financial assets measured at cost

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at financial asset's original effective interest rate, and is recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset does not exceed its amortised cost that would have been at the date of reversal had the impairment loss not been recognized previously. Impairment loss is recognised by adjusting the carrying amount of the asset through the use of an impairment allowance account.

(ii) Available-for-sale financial assets

The amount of the impairment loss is measured as the difference between the asset's acquisition cost (less any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, and is reclassified from 'other comprehensive income' to 'profit or loss'. If, in a subsequent period, the fair value of an investment in a debt instrument increases, and the increase can be related objectively to an event occurring after the impairment loss was recognised, such impairment loss is reversed through profit or loss. Impairment loss of an investment in an equity instrument recognised in profit or loss shall not be reversed through profit or loss. Impairment loss is recognised and reversed by adjusting the carrying amount of the asset through the use of an impairment allowance account.

(f) Derivative financial instruments and hedging activities

i. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Any changes in the fair value are recognised in profit or loss.

ii. The Company designates certain derivatives as hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

iii. The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

iv. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as current assets or liabilities.

v. Cash flow hedge

(i) The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the statement of comprehensive income within 'other gains and losses'.

(ii) Amounts accumulated in other comprehensive income are reclassified into profit or loss in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the statement of comprehensive income within ‘finance costs’. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or financial liability, the gains and losses previously deferred in other comprehensive income are reclassified into profit or loss in the periods when the asset acquired or the liability assumed affects profit or loss. The deferred amounts are ultimately recognised in operating costs.

(iii) When a hedging instrument expires, or is sold, cancelled or executed, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in other comprehensive income at that time remains in other comprehensive income. When a forecast transaction occurs or is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income is transferred to profit or loss in the periods when the hedged forecast cash flow affects profit or loss.

B. The reconciliations of carrying amount of financial assets transfered from December 31, 2017, IAS 39, to January 1, IFRS 9, were as follows:

						Effects	
	Measured at fair value through other comprehensive income-equity	Available-for-sale financial assets	Held-to-maturity financial assets	Financial assets at amortised cost	Total	Retained earnings	Others equity
IAS 39	$ -	$ 1,297,929	$ 100,000	$ -	$ 1,397,929	$ -	$ -
Transferred into and measured at fair value through other comprehensive income-equity	1,297,929	(1,297,929)	-	-	-	-	-
Transferred into and measured at amortised cost	-	-	(100,000)	100,000	-	-	-
Impairment loss adjustment	-	-	-	-	-	192,156	(192,156)
IFRS 9	$ 1,297,929	$ -	$ -	$ 100,000	$ 1,397,929	$ 192,156	($ 192,156)

(a) Under IAS 39, because the equity instruments, which were classified as: available-for-sale financial assets, amounting to $1,297,929, were not held for the purpose of trading, they were reclassified as "financial assets at fair value through other comprehensive income (equity instruments)" amounting to $1,297,929, increased retained earnings and decreased other equity interest in the amounts of $192,156 and $192,156, respectively, on initial application of IFRS 9.

(b) Under IAS 39, because the equity instruments, which were classified as: held-to-maturity financial assets, amounting to $100,000, met the condition that it is intended to settle the principal and interest on the outstanding principal balance, they were reclassified as "financial assets at amortised cost" amounting to $100,000 on initial application of IFRS 9.

C. The significant accounts as of December 31, 2017 are as follows:

(a) Available-for-sale financial assets

Items	December 31, 2017
Non-current items:	
Listed (TSE and OTC) stocks	$ 631,039
Unlisted stocks	88,917
	719,956
Valuation adjustment	577,973
	$ 1,297,929

i. The Company recognised $92,521 in other comprehensive income for fair value change for the year ended December 31, 2017.

ii. The Company originally owned the emerging stock of Taiwan High Speed Rail Corporation which was first publicly traded on October 27, 2016. However, for the year ended December 31, 2015, the Company assessed that there had been objective evidence of impairment given that the market price of the shares continuously fell. As of December 31, 2017, the Company has recognized $189,091 as impairment loss.

iii.The Company recognised impairment loss of $3,065 on unlisted stocks.

iv.The Company has no available-for-sale assets pledged to others.

(b) Held-to-maturity financial assets

Items	December 31, 2017
Non-current items:	
Financial bonds	$ 100,000

i. The Company recognised interest income of $2,339 for amortised cost in profit or loss for the year ended December 31, 2017

ii. The counterparties of the Company’s investments have good credit quality.

iii.The Company has no held-to-maturity financial assets held by the Company pledged to others.

D. Credit risk information for the year ended December 31, 2017 are as follows :

(a) Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. According to the Company’s credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.

Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

(b) For the year ended December 31, 2017, no credit limits were exceeded during the reporting periods, and management does not expect any significant losses from non-performance by these counterparties.

(c) The credit quality of accounts receivable that were neither past due nor impaired was in the following categories based on the Company's credit quality control policy.

	December 31, 2017
Group 1	$ 277,138
Group 2	2,018,146
	$ 2,295,284

Note:

Company 1: Low risk: The Company's ten largest customers, with sound performance and high transparency of financial information, are approved based on the Company's credit quality control policy.

Company 2: General risk.

(d) The ageing analysis of accounts receivable that were past due but not impaired is as follows:

	December 31, 2017
Up to 30 days	$ 301,805
31 to 180 days	264,190
	$ 565,995

The above ageing analysis was based on past due date.

(e) Movement analysis of financial assets that were impaired is as follows:

	2017		
	Individual provision	Group provision	Total
At January 1	$ 73,732	$ -	$ 73,732
Net exchange differences	(5,250)	-	(5,250)
At December 31	$ 68,482	$ -	$ 68,482

(5) Effects of initial application of IFRS 15 and information on application of IAS 11 and IAS 18 in 2017

A. The significant accounting policies applied on revenue recognition for the year ended December 31, 2017 are set out below.

(a) Sales of goods

Revenue is measured at the fair value of the consideration received or receivable taking into account of business tax, returns, rebates and discounts for the sale of goods to external customers in the ordinary course of the Company's activities. Revenue arising from the sales of goods is recognised when the Company has delivered the goods to the customer, the amount of sales revenue can be measured reliably and it is probable that the future economic benefits associated with the transaction will flow to the entity. The delivery of goods is completed when the significant risks and rewards of ownership have been transferred to the customer, the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the customer has accepted the goods based on the sales contract or there is objective evidence showing that all acceptance provisions have been satisfied.

(b) Sales of services

Revenue from delivering services is recognised under the percentage-of-completion method when the outcome of services provided can be estimated reliably. The stage of completion of a service contract is measured by the percentage of the actual services performed as of the financial reporting date to the total services to be performed. If the outcome of a service contract cannot be estimated reliably, contract revenue should be recognised only to the extent that contract costs incurred are likely to be recoverable.

B. The revenue of the Company recognised by using above accounting policies for the year ended December 31, 2017 are as follows:

	Year ended December 31, 2017	
Marine freight income	$	27,548,083
Ship rental and slottage income		331,663
Commission income		348,411
Others income		669,459
	$	28,897,616

C. Under IFRS 15, liabilities are recognised as contract liabilities, but were previously presented as other current liabilities-others in the balance sheet, the effects and description of current balance sheets and comprehensive income statements if the Company continues adopting above accounting policies for the year ended December 31, 2018 are as follows:

	December 31, 2018					
Balance sheet items		Balance by using IFRS 15		Balance by using previous accounting policies		Effects from chages in accounting policy
Contract assets - current	$	682,327	$	-	$	682,327
Accounts receivable, net		3,258,807		3,941,134	(	682,327)
Contract liabilities- current	(	431,290)		-	(	431,290)
Other current liabilities	(	9,040,820)		9,472,110	(	18,512,930)

There is no impact to the current comprehensive income.

(a) Contracts with customers where services were rendered but not yet billed, were previously presented as accounts receivable on the balance sheet, and are recognised as contract assets in accordance with IFRS 15 ‘Revenue from contracts with customers’.

(b) Contracts with customers in relation to advance service receipt in the previous period are reclassified as contract liabilities in accordance with IFRS 15.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A.Loans to others: Please refer to table 1.

B.Provision of endorsements and guarantees to others: Please refer to table 2.

C.Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D.Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company’s paid-in capital: Please refer to table 4.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G.Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 5.

H.Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 6.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(2) Information on investees (not including investees in Mainland China)

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 8.

(3) Information on investments in Mainland China

A.Basic information: Please refer to table 9.

B.Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

14. SEGMENT INFORMATION

None.

Evergreen Marine Corporation (Taiwan) Ltd.
Statement of cash and cash equivalents
December 31, 2018

In Thousands of NTD

Item	Description		Amount Subtotal	Amount Total
Cash				$ 14,807
	Cash on hand		$ 26	
	Petty cash			
	TWD		1,330	
	USD	437	13,523	
	Add: Unrealised gains or losses		(72)	
Cash in banks				
Checking accounts				205,409
NTD demand deposits				796,326
Foreign demand deposits				1,592,650
	EUR	2,041	71,697	
	GBP	348	13,527	
	HKD	10	37	
	INR	2,247	987	
	JPY	10,865	3,023	
	PLN	163	1,401	
	SGD	348	7,841	
	USD	48,583	1,495,790	
	VND	22,415	31	
	Add: Unrealised gains or losses		(1,684)	
NTD time deposits	Interest rate:0.58%~1.04%			11,866,471
Foreign time deposits	Interest rate:2.68%~3.22%			7,196,794
	USD	234,015	7,126,298	
	Add: Unrealised gains or losses		70,496	
				$ 21,672,457

Evergreen Marine Corporation (Taiwan) Ltd.
Statement of accounts receivable
December 31, 2018

In Thousands of NTD

Client Name	Description	Amount	Footnote
Non-related parties			
	CMA CGM S.A.	$ 548,881	1) Foreign freight are translated into the functional currency at the dates of the transactions and retranslated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
	Cosco Container Lines Co.,Ltd.	543,011	
	Orient Overseas Containers Line Limited	170,546	
	Others	2,066,335	
	Less: Unrealised gains or losses	(4,741)	
	Less: Allowance for bad debts	(65,225)	
		3,258,807	
Related parties			
	Evergreen International Corporation	33,363	2) The amount of individual client included in others does not exceed 5% of the account balance.
	Evergreen International Storage and Transport Corporation	23,243	
	Evergreen Marine (Singapore) Pte. Ltd.	11,453	
	Evergreen Marine (UK) Ltd.	9,549	
	Greencompass Marine S.A.	7,782	
	Italia Marittima S.p.A	8,445	
	Others	5,788	
		99,623	
		$ 3,358,430	

Evergreen Marine Corporation (Taiwan) Ltd.
Statement of other receivable
December 31, 2018

In Thousands of NTD

Item	Description	Amount	Footnote
Non-related parties			
Accrued interest	Interest income	$ 50,307	
Tax refund receivable		12,203	
China COSCO Shipping Co., Ltd.		9,432	
CMA CGM S.A.		11,093	
Others		122,195	The amount of individual client included in others does not exceed 5% of the account balance.
		205,230	
Related parties			
Evergreen International Corporation		179,593	
Others		1,344	The amount of individual client included in others does not exceed 5% of the account balance.
		180,937	
		$ 386,167	

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Evergreen Marine Corporation (Taiwan) Ltd.
Statement of ship fuel
December 31, 2018

In Thousands of NTD

Item	Description	Cost (in thousands)	Net Realisable Value	Footnote
Fuel	TYOT	USD 3,104	$ 95,455	1) Fuel inventories of each ship are recorded at cost and retranslated at the exchange rates prevailing at the balance sheet date.
	LBRA	USD 3,042	93,540	
	LIVN	USD 2,380	73,183	
	GIVE	USD 2,084	64,105	
	LOYL	USD 1,850	56,894	
	LRIC	USD 1,759	54,104	
	LUNR	USD 1,636	50,319	
	Others	USD 13,674	420,522	2) The amount of individual client included in others does not exceed 5% of the account balance.
		USD 29,529	$ 908,122	

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Evergreen Marine Corporation (Taiwan) Ltd.
Statement of other current assets
December 31, 2018

In Thousands of NTD

Item	Description	Amount	Footnote
Agency accounts			1) Agency accounts are translated into the functional currency at the dates of the transactions and retranslated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
	Evergreen Indis Pvt Ltd	$ 72,695	
	Unigreen Marine S.A.(PNM)	36,904	
	Arabian Gulf Marine Trading Co.	29,316	
	Master International Shipping Agency Co.	44,944	
	Evergreen America Corporation Canada Branch	24,401	
	Others	209,726	2) The amount of individual client included in others does not exceed 5% of the account balance.
		417,986	
Shipowner's accounts			
	Evergreen Marine (UK) Limited	$ 675,749	
	Italia Marittima S.p.A	279,431	
	Evergreen International S.A.	180,684	
	Greencompass Marine S.A.	114,568	
	Gaining Enterprise S.A.	20,409	
		1,270,841	
Other financial assets		121,632	
Others	Temporary payments for others	963,602	
		$ 2,774,061	

Evergreen Marine Corporation (Taiwan) Ltd.
Statement of changes in investments accounted for using equity method
For the year ended December 31, 2018

In Thousands of shares/NTD

Investees	Balance at January 1, 2018		Additions in Investment		Decrease in Investment		Balance at December 31, 2018			Market Value or Net Assets Value		Collateral	Footnote
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Ownership	Amount	Price (NTD)	Total Amount		
Peony Investment S.A.	4,765	$ 29,984,506	-	$ -	-	$ 1,412,743	4,765	100.00	$ 28,571,763	$ -	$ 28,887,580	No	
Everport Terminal Services Inc.	1	568,156	-	478,851	-	-	1	94.43	1,047,007	-	1,197,772	〃	
Taiwan Terminal Services Co., Ltd.	5,500	39,912	-	13,374	-	-	5,500	55.00	53,286	-	53,286	〃	
Charng Yang Development Co.,Ltd.	58,542	537,532	-	68,646	-	62,120	58,542	40.00	544,058	-	777,524	〃	
Evergreen International Storage and Transport Corporation	424,063	8,554,230	6,629	575,267	-	148,422	430,692	40.36	8,981,075	13.50	5,814,345	〃	
Evergreen Security Corporation	6,336	97,140	-	14,525	-	-	6,336	31.25	111,665	-	111,665	〃	
EVA Airways Corporation	680,786	9,462,402	34,039	1,007,871	-	136,157	714,825	16.31	10,334,116	15.80	11,294,242	〃	
Taipei Port Container Terminal Corporation	109,378	977,049	-	49,289	-	-	109,378	21.03	1,026,338	-	1,024,789	〃	
Evergreen Marine (Latin America), S.A.	105	4,364	-	407	-	1,297	105	17.50	3,474	-	3,474	〃	
VIP Greenport Joint Stock Company	13,750	205,923	-	47,744	-	-	13,750	21.74	253,667	-	250,233	〃	
Evergreen Marine (Hong Kong) Ltd.	6,320	6,287,883	-	930,715		-	6,320	79.00	7,218,598	-	7,218,598	〃	
		$ 56,719,097		$ 3,186,689		$ 1,760,739			$ 58,145,047				

Evergreen Marine Corporation (Taiwan) Ltd.
Statement of changes in ships
For the year ended December 31, 2018

In Thousands of NTD

Item	Balance at January 1, 2018	Increased in the period	Transferred in the period	Decreased in the period	Balance at December 31, 2018	Footnote
Ships：						
LOYL	$ 3,201,590	$ 1,983	$ -	$ -	3,203,573	
LUCD	3,157,763	621	-	-	3,158,384	
LOGC	3,146,076	17,481	-	-	3,163,557	
LIVN	3,224,550	9,571	-	-	3,234,121	
LBRA	3,201,422	4,240	-	-	3,205,662	
LUNR	3,316,821	-	-	-	3,316,821	
LYRC	3,305,403	-	-	-	3,305,403	
PRMT	560,051	13,082	-	-	573,133	
PRBT	513,405	9,300	-	-	522,705	
PRSP	492,275	23	-	-	492,298	
BLMY	1,195,037	-	(2,780)	-	1,192,257	
BLOM	-	-	1,259,843	-	1,259,843	
BEMY	-	-	1,258,471	-	1,258,471	
BASS	-	-	1,255,394	-	1,255,394	
BEFT	-	-	1,170,750	-	1,170,750	
BORD	-	-	1,192,681	-	1,192,681	
BEDY	-	-	1,162,769	-	1,162,769	
BENG	-	-	1,193,662	-	1,193,662	
	$ 25,314,393	$ 56,301	$ 8,490,790	$ -	$ 33,861,484	

Evergreen Marine Corporation (Taiwan) Ltd.
Statement of changes in ships (continue)
For the year ended December 31, 2018

In Thousands of NTD

Item	Balance at January 1, 2018	Increased in the period	Decreased in the period	Balance at December 31, 2018	Note
Accumulated depreciation：					
LOYL	$ 457,302	$ 121,519	$ -	$ 578,821	
LUCD	472,015	119,874	-	591,889	
LOGC	560,257	125,146	-	685,403	
LIVN	571,243	128,079	-	699,322	
LBRA	631,883	127,312	-	759,195	
LUNR	372,032	124,957	-	496,989	
LYRC	337,860	124,678	-	462,538	
PRMT	440,285	67,044	-	507,329	
PRBT	372,400	59,522	-	431,922	
PRSP	343,555	57,076	-	400,631	
BLMY	8,024	43,855	-	51,879	
BLOM	-	19,832	-	19,832	
BEMY	-	25,459	-	25,459	
BASS	-	36,565	-	36,565	
BEFT	-	21,565	-	21,565	
BORD	-	583	-	583	
BEDY	-	29,308	-	29,308	
BENG	-	9,521	-	9,521	
	$ 4,566,856	$ 1,241,895	$ -	$ 5,808,751	
Net Amount	$ 20,747,537			$ 28,052,733	

Evergreen Marine Corporation (Taiwan) Ltd.
Statement of accounts payable
December 31, 2018

In Thousands of NTD

Client Name	Description	Amount	Footnote
Non-related parties			
CMA CGM S.A.		$ 495,961	
Orient Overseas Containers Line Limited		200,956	
COSCO Shipping Lines Co., Ltd.		542,297	
Estimated expense payable		1,939,251	
Others		1,007,074	The amount of individual client included in others does not exceed 5% of the account balance.
Add: Unrealised gains or losses		198,147	
		4,383,686	
Related parties			
Taiwan Terminal Services Co., Ltd.		79,666	
Evergreen International Storage and Transport Corporation		20,660	
Everport Terminal Services Inc.		68,256	
GREENCOMPASS MARINE S.A.		20,659	
Others		4,590	The amount of individual client included in others does not exceed 5% of the account balance.
		193,831	
		$ 4,577,517	

Evergreen Marine Corporation (Taiwan) Ltd.
Statement of other payables
December 31, 2018

In Thousands of NTD

Item	Description	Amount	Footnote
Other payables		$ 638,420	
Accrued expenses		170,815	
Interest payable		114,971	
Payable on equipment		4,430	
		$ 928,636	

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Evergreen Marine Corporation (Taiwan) Ltd.
Statement of other current liabilities
December 31, 2018

In Thousands of NTD

Item	Description	Amount	Footnote
Agency accounts			1)
	Evergreen Shipping Agency (America) Corporation	$ 441,655	
	Evergreen Shipping Agency (Japan) Corporation	185,565	
	PT.Evergreen Shipping Agency Indonesia	101,153	
	Evergreen International Corportion	87,295	
	Others	231,569	2)
		1,047,237	
Shipowner's accounts	Evergreen Marine (Singapore) Pte Ltd.	996,627	
	Evergreen Marine (Hong Kong) Ltd.	613,053	
		1,609,680	
Unearned Receipts	Ship rental income and Base station revenue	36	
Receipts under custody	Withholding tax	7,467	
Long-term liabilities - current portion		6,376,400	
		$ 9,040,820	

1) Agency accounts are translated into the functional currency at the dates of the transactions and retranslated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

2) The amount of individual client included in others does not exceed 5% of the account balance.

Evergreen Marine Corporation (Taiwan) Ltd.
Statement of corporate bonds payable
December 31, 2018

In Thousands of NTD

Bonds Name	Trustee	Issuance Date	Interest Payment Date	Rate (%)	Amount: Total Amount	Amount: Repayment paid	Amount: Balance at December 31, 2018	Amount: Unamortised Premiums (Discounts)	Book Value	Repayment	Collateral	Footnote
Thirteenth domestic secured corporate bonds	Bank Of Taiwan	106.04.25	111.04.25	1.05	$ 8,000,000	$ -	$ 8,000,000	$ -	$ 8,000,000	Note 1	Yes	Note 2
Fourteenth domestic secured corporate bonds	Bank Of Taiwan	107.06.27	112.06.27	0.86	2,000,000	-	2,000,000	-	2,000,000	Note 3	〃	Note 4
Less: current portion									-			
Non-current portion									$ 10,000,000			

Note 1： Except for conversion, proceeds and redemption, half the principal of the Bond must be paid at the end of the fourth year, and another half at the maturity date. Please refer to Note 6(12) for details of principal repayment and interest payment.

Note 2： The Bonds are secured and are guaranteed by Hua Nan Bank, First Bank, Mega International Commercial Bank, Land Bank of Taiwan, Chang Hwa Bank, Taiwan Cooperative Bank and Bank Sinopac.

Note 3： Except for conversion, proceeds and redemption, the principal of the Bonds shall be repaid in lump sum at maturity. Please refer to Note 6(12) for details of principal repayment and interest payment.

Note 4： The Bonds are secured and are guaranteed by First Commercial Bank.

Evergreen Marine Corporation (Taiwan) Ltd.
Statement of long-term loans
December 31, 2018

In Thousands of NTD

Creditor	Description	Amount	Term of Contract	Rate(%)	Collateral	Footnote
Long-term bank loans :						
Bank of Taiwan	Secured bank loans	$ 1,900,000	104.12.28~109.12.28		Minsheng Building	
Bank of Taiwan	〃	803,031	102.11.19~111.11.19		Loading and unloading equipment	
Bank of Taiwan and other banks	〃	1,977,930	103.01.15~112.10.14		Ships	
Bank of Taiwan and other banks	〃	2,108,122	104.01.09~112.10.14		〃	
Bank of Taiwan and other banks	〃	2,061,978	104.04.15~112.10.14		〃	
Bank of Taiwan	〃	307,168	105.03.28~116.03.28		〃	
Land Bank of Taiwan	〃	284,771	105.09.23~115.03.28		〃	
First Commercial Bank	〃	1,525,941	102.04.22~114.04.22		〃	Including foreign loans
Hua Nan Commercial Bank	〃	866,850	107.08.31~114.06.28		〃	
Hua Nan Commercial Bank	〃	1,796,349	101.01.04~115.03.20		〃	Including foreign loans
Chang Hwa Commercial Bank	〃	935,804	107.08.31~114.03.31		〃	
Chang Hwa Commercial Bank	〃	947,504	107.11.30~114.09.28		〃	
Cathay United Bank	〃	844,404	105.09.23~114.12.28		〃	
Mega International Commercial Bank and other banks	〃	1,314,276	101.10.22~108.10.22		〃	Including foreign loans
Mega International Commercial Bank and other banks	〃	1,401,261	102.04.30~109.04.30		〃	Including foreign loans
Bank of China	〃	924,421	105.06.29~115.06.29		〃	
Bank of China	〃	922,206	107.04.19~115.06.29		〃	
Bank SinoPac	〃	873,911	107.04.17~114.03.02		〃	
The Export-Import Bank of the Republic of China	〃	783,120	107.04.20~115.04.20		〃	
Bank of China	Unsecured bank loans	580,000	107.02.23~109.02.23		None	
Taipei Star Bank	〃	200,000	107.01.23~110.01.23		〃	
Chinatrust Commercial Bank	〃	1,000,000	106.03.31~109.03.31		〃	
Bank of Taiwan	〃	1,987,500	104.03.25~109.12.28		〃	
Jih Sun International Bank	〃	500,000	107.07.02~110.03.29		〃	

Evergreen Marine Corporation (Taiwan) Ltd.
Statement of long-term loans (continue)
December 31, 2018

In Thousands of NTD

Creditor	Description	Amount	Term of Contract	Rate(%)	Collateral	Footnote
Yuanta Commercial Bank (Previous name refer to Ta Chong Commercial Bank)	Unsecured bank loans	$ 1,500,000	107.05.30~112.05.30		None	
E.Sun Commercial Bank	〃	300,000	107.07.26~110.07.26		〃	
Agricultural Bank of Taiwan	〃	1,200,000	104.12.29~109.12.29		〃	
Land Bank of Taiwan	〃	1,600,000	104.12.28~109.11.23		〃	
O-Bank	〃	1,000,000	105.05.24~110.05.24		〃	
Taiwan Business Bank	〃	1,000,000	107.12.20~112.12.20		〃	
Cathay United Bank	〃	1,500,000	107.12.12~112.12.12		〃	
Taiwan Cooperative Bank	〃	500,000	105.12.12~110.12.12		〃	
The Export-Import Bank of the Republic of China	〃	500,000	107.09.28~110.09.28		〃	
Taishin International Bank	Commercial paper	2,550,000	105.08.26~112.05.15		〃	
Chang Hwa Commercial Bank	Container secured bank loans	766,882	107.02.09~114.02.09		〃	
Taiwan Cooperative Bank	〃	612,000	103.05.20~110.05.20		〃	
		39,875,429		1.13-3.79		
Add: Unrealised losses		223,179				
Less: Deferred expenses - hosting fee credit		(13,417)				
		40,085,191				
Less: current portion		(6,376,400)				
Non-current portion		$ 33,708,791				

Evergreen Marine Corporation (Taiwan) Ltd.
Statement of labor, depreciation and amortisation by function
For the year ended December 31, 2018

In Thousands of NTD

By Function / By Nature	Year ended December 31, 2018			Year ended December 31, 2017		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefit expense						
Wages and salaries	$ 660,115	$ 1,080,419	$ 1,740,534	$ 556,974	$ 1,332,189	$ 1,889,163
Labor and health insurance fees	41,050	90,804	131,854	31,615	81,158	112,773
Pension costs	28,191	55,250	83,441	23,906	60,721	84,627
Directors' remuneration	-	9,303	9,303	-	20,091	20,091
Other personnel expenses	42,180	49,954	92,134	31,723	43,711	75,434
Depreciation expenses	1,996,682	36,279	2,032,961	1,706,411	46,228	1,752,639
Amortisation expenses	10,323	10,249	20,572	12,687	6,904	19,591

Note: As of December 31, 2018 and 2017, the Company had 1,776 and 1,600 employees, respectively. There were 7 non-employee directors for both years.

Evergreen Marine Corporation (Taiwan) Ltd.
Loans to others
For the year ended December 31, 2018

Table 1

Expressed in thousands of NTD

Number (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2018 (Note 3)	Balance at December 31, 2018 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
1	Peony Investment S.A.	Luanta Investment (Netherlands) N.V.	Receivables from related parties	Yes	$ 76,426	$ 43,055	$ 43,055	3.4149~ 3.6056	2	$ -	Working capital requirement	$ -	None	$ -	$ 5,778,585	$ 14,446,463	
1	Peony Investment S.A.	Clove Holding Ltd.	Receivables from related parties	Yes	712,103	707,331	618,145	3.3149~ 3.6038	2	-	Working capital requirement	-	None	-	11,557,170	14,446,463	
2	Clove Holding Ltd.	Whitney Equipment LLC.	Receivables from related parties	Yes	92,883	92,261	92,261	3.3981	2	-	Working capital requirement	-	None	-	1,101,187	1,376,484	
2	Clove Holding Ltd.	Colon Container Terminal S.A.	Receivables from related parties	Yes	371,532	369,042	295,234	3.4149~ 3.6063	2	-	Working capital requirement	-	None	-	550,594	1,376,484	
3	Evergreen Marine (Hong Kong) Ltd.	Colon Container Terminal S.A.	Receivables from related parties	Yes	83,595	83,034	66,428	3.1694~ 3.5794	2	-	Working capital requirement	-	None	-	929,558	1,859,117	

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows
(1)The Company is '0'.
(2)The subsidiaries are numbered in order starting from '1'.
Note 2: Fill in the name of account in which the loans are recognised, such as receivables–related parties, current account with stockholders, prepayments, temporary payments, etc.
Note 3: Fill in the maximum outstanding balance of loans to others during the year ended December 31, 2018
Note 4: The column of'Nature of loan' shall fill in 1.'Business transaction' or 2.'Short-term financing'.
Note 5: Fill in the amount of business transactions when nature of the loan is related to business transactions, which is the amount of business transactions occurred between the creditor and borrower in the current period.
Note 6: Fill in purpose of loan when nature of loan is for short-term financing, for example, repayment of loan, acquisition of equipment, working capital, etc.
Note 7: Fill in limit on loans granted to a single party and ceiling on total loans granted as prescribed in the creditor company's "Procedures for Provision of Loans", and state each individual party to which the loans have been provided and the calculation for ceiling on total loans granted in the footnote.

1. According to the Company's credit policy, the total amount of loans granted to a single company should not exceed 20% of the net worth stated in the latest financial statements.
PEONY：USD 939,500*30.7535*20%=5,778,585
Clove Holding Ltd.：USD 89,517*30.7535*20%=550,594
Evergreen Marine (Hong Kong) Ltd.：USD 151,130*30.7535*20%=929,558
The Company held 100% voting shares directly and indirectly in foreign company, that the total amount of loans granted to a single company should not exceed 40% of the net worth stated in the latest financial statements.
PEONY：USD 939,500*30.7535*40%=11,557,170
2. According to the Company's credit policy, the total amount of loans granted should not exceed 40% of the net worth stated in the latest financial statements.
Clove Holding Ltd.：USD 89,517*30.7535*40%=1,101,187
Evergreen Marine (Hong Kong) Ltd.：USD 151,130*30.7535*40%=1,859,117
The Company held 100% voting shares directly and indirectly in foreign company, that the total amount of loans granted should not exceed 50% of the net worth stated in the latest financial statements.
PEONY：USD 939,500*30.7535*50%=14,446,463
Clove Holding Ltd.：USD 89,517*30.7535*50%=1,376,484

Note 8: The amounts of funds to be loaned to others which have been approved by the Board of Directors of a public company in accordance with Article 14, Item 1 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet been appropriated. However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment. In addition, if the Board of Directors of a public company has authorized the Chairman to loan funds in instalments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", the published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the Board of Directors, and these lines of loaning should not be excluded from this balance even though the loans are repaid subsequently, for taking into consideration that they could be loaned again thereafter.

Evergreen Marine Corporation (Taiwan) Ltd.
Provision of endorsements and guarantees to others
For the year ended December 31, 2018

Table 2

Expressed in thousands of NTD

Number (Note 1)	Endorser/Guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarntees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2018 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2018 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
0	Evergreen Marine Corporation	Greencompass Marine S.A.	2	$ 133,688,460	$ 47,652,627	$ 43,599,149	$ 25,800,522	$ -	65.22%	$ 167,110,575	Y	N	N	
0	Evergreen Marine Corporation	Peony Investment S.A.	2	133,688,460	154,805	153,768	-	-	0.23%	167,110,575	Y	N	N	
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	2	133,688,460	38,039,795	34,190,847	29,061,383	-	51.15%	167,110,575	Y	N	N	
0	Evergreen Marine Corporation	Whitney Equipment LLC.	2	133,688,460	237,641	154,042	149,651	-	0.23%	167,110,575	Y	N	N	
0	Evergreen Marine Corporation	Colon Container Terminal S.A.	6	33,422,115	2,253,961	2,238,855	2,238,855	-	3.35%	167,110,575	N	N	N	
0	Evergreen Marine Corporation	Balsam Investment (Netherlands) N.V.	6	33,422,115	910,253	904,153	881,549	-	1.35%	167,110,575	N	N	N	
0	Evergreen Marine Corporation	Everport Terminal Services Inc.	2	133,688,460	1,745,064	1,627,942	1,395,973	-	2.44%	167,110,575	Y	N	N	
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	2	133,688,460	20,878,199	20,691,893	11,295,851	-	30.96%	167,110,575	Y	N	N	

Evergreen Marine Corporation (Taiwan) Ltd.
Provision of endorsements and guarantees to others
For the year ended December 31, 2018

Table 2

Expressed in thousands of NTD

Number (Note 1)	Endorser/Guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarntees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2018 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2018 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
1	Evergreen Marine (Hong Kong) Ltd.	Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd.	2	$ 9,295,583	$ 134,910	$ 71,662	$ 35,633	$ -	1.54%	$ 11,619,479	Y	N	Y	
1	Evergreen Marine (Hong Kong) Ltd.	Colon Container Terminal S.A.	6	2,323,896	507,141	503,742	503,742	-	10.84%	11,619,479	N	N	N	
2	Master International Shipping Agency Co., Ltd.	Ever Shine (Shenzhen) Enterprise Management Consulting Co., Ltd.	1	81,691	76,987	76,987	76,987	-	94.24%	204,228	N	N	Y	

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:
(1)The Company is '0'.
(2)The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories; fill in the number of category each case belongs to:
(1) Having business relationship.
(2) The endorser/guarantor parent company directly and indirectly owns more than 50% voting shares of the endorsed/guaranteed company.
(3) The endorsed/guaranteed parent company directly and indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.
(4) The parent company directly or indirectly owns more than 90% voting shares of the companies that make endorsements/guarantees for each other.
(5) The parent company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
(6) Due to joint venture, all capital contributing shareholders make endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
(7) Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: Fill in limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor company's "Procedures for Provision of Endorsements and Guarantees", and state each individual party to which the endorsements/guarantees have been provided and the calculation for ceiling on total amount of endorsements/guarantees provided in the footnote.
The calculation is as follows:
The Company: 66,844,230*250% = 167,110,575
Limit on endorsement or guarantees provided by the Company for a single entity is $33,422,115 (Amounting to 50% of its net worth).
When the Company owns more than 50% voting shares of the endorsed/guaranteed company, the limit on endorsement or guarantee provided by the Company should not exceed 200% of its net worth, which equals to $133,688,460.
According to the credit policy of Evergreen Marine (Hong Kong) Ltd., the calculation for total amount of endorsements/guarantees is as follows:
Ceiling on total amount of endorsements/guarantees: USD 151,130*30.7535*250% = 11,619,479
Limit on endorsements or guarantees provided for a single entity：USD 151,130*30.7535*50% = 2,323,896
When the Company owns more than 50% voting shares of the endorsed/guaranteed company, the limit on endorsement or guarantee provided by the Company should not exceed 200% of its net worth, which equals to $9,295,583.
Ceiling on total amount of endorsements/guarantees of Master International Shipping Agency Co. : CNY 18,239*4.4789*250% = 204,228
Limit on endorsements or guarantees provided for a single entity of Master International Shipping Agency Co. ：CNY 18,239*4.4789*100%=81,691 (100% of its net worth)

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: Fill in the amount approved by the Board of Directors or the chariman if the chairman has been authorised by the Board of Directors.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary, provision by subsidiary to listed parent company, and provision to the party in Mainland China.

Evergreen Marine Corporation (Taiwan) Ltd.

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

For the year ended December 31, 2018

Table 3

Expressed in thousands of shares/thousands of NTD/thousands of foreign currency

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	Genearl ledger account	As of December 31, 2018				Footnote (Note 4)
				Number of shares	Book value (Note 3)	Ownership (%)	Fair value	
Evergreen Marine Corporation	Stock:							
	Power World Fund Inc.		Financial asset measured at fair value through other comprehensive income - non-current	677	$ 6,772	5.68%	$ 6,772	
	Linden Technologies, Inc.		〃	50	40,423	1.44%	40,423	
	TopLogis, Inc.		〃	2,464	18,906	17.48%	18,906	
	Ever Accord Construction Corp.	Other related party	〃	9,317	105,258	17.50%	105,258	
	Central Reinsurance Corp.		〃	49,866	850,223	8.45%	850,223	
	Financial bonds:							
	Sunny Bank 2nd Subordinate Financial Debentures-B Issue in 2015		Financial asset measured at atmortised cost - non-current	-	50,000	-	50,000	
	Sunny Bank 3rd Subordinate Financial Debentures-B Issue in 2017		〃	-	50,000	-	50,000	
Peony Investment S.A.	Hutchison Inland Container Depots Ltd.		Financial asset measured at fair value through other comprehensive income - non-current	0.75	USD 209	7.50	USD 209	
	South Asia Gateway Terminals (Private) Ltd.		〃	18,942	USD 20,226	5.00	USD 20,226	
Evergreen Shipping Agency (Europe) GmbH	Zoll Pool Hafen Hamburg AG		〃	10	EUR 10	2.86	EUR 10	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS9, 'Financial instruments: recognition and measurement'.

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

Evergreen Marine Corporation (Taiwan) Ltd.

Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital

For the year ended December 31, 2018

Table 4

Expressed in thousands of shares/thousands of NTD

Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Balance as at January 1, 2018		Addition (Note 3)		Disposal (Note 3)				Balance as at December 31, 2018	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
Evergreen Marine Corporation	Stock:													
	Taiwan HSR Consortium	Financial asset measured at fair value through other comprehensive income - non-current			13,356	$ 329,329	-	$ -	13,356	$ 342,661	$ 329,329	$ 13,332	-	$ -

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Fill in the columns the counterparty and relationship if securities are accounted for under the equity method; otherwise leave the columns blank.

Note 3: Aggregate purchases and sales amounts should be calculated separately at their market values to verify whether they individually reach NT$300 million or 20% of paid-in capital or more.

Note 4: Paid-in capital referred to herein is the paid-in capital of parent company.

Evergreen Marine Corporation (Taiwan) Ltd.

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

For the year ended December 31, 2018

Table 5

Expressed in thousands

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/ sales	Amount	Percentage of total purchases/ sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Evergreen Marine Corporation	Everport Terminal Services Inc.	Subsidiary	Purchases	$ 1,455,870	4%	30~60 days	$ -	-	($ 68,256)	1%	
	Greencompass Marine S.A.	Indirect subsidiary of the Company	Purchases	1,580,488	5%	30~60 days	-	-	(20,659)	-	
			Sales	1,497,882	4%	30~60 days	-	-	7,782	-	
	Taiwan Terminal Services Co., Ltd.	Subsidiary	Purchases	893,918	3%	30~60 days	-	-	(79,666)	2%	
	Italia Marittima S.p.A.	Associates	Purchases	370,150	1%	30~60 days	-	-	-	-	
			Sales	408,890	1%	30~60 days	-	-	8,445	-	
	Evergreen International Storage and Transport Corp.	Associates	Purchases	410,325	1%	30~60 days	-	-	(20,660)	-	
	Evergreen Shipping Agency (America) Corporation	Other related parties	Purchases	363,380	1%	30~60 days	-	-	-	-	
	Evergreen International Corp.	Other related parties	Purchases	449,731	1%	30~60 days	-	-	(2,390)	-	
			Sales	1,739,984	5%	30~60 days	-	-	33,363	1%	
	Evergreen Marine (UK) Limited	Indirect subsidiary of the Company	Purchases	250,536	1%	30~60 days	-	-	(110)	-	
			Sales	729,254	2%	30~60 days	-	-	9,549	-	
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Purchases	181,192	1%	30~60 days	-	-	-	-	
			Sales	1,085,215	3%	30~60 days	-	-	11,453	-	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary	Sales	112,920	-	30~60 days	-	-	1,751	-	
			Purchases	577,182	2%	30~60 days	-	-	-	-	

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/ sales	Amount	Percentage of total purchases/ sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Evergreen Marine Corporation	Gaining Enterprise S.A.	Other related parties	Purchases	$ 1,365,732	4%	30~60 days	$ -	-	$ -	-	
	Taipei Port Container Terminal Corp.	Associates	Purchases	107,467	-	30~60 days	-	-	-	-	
Taiwan Terminal Services Co.,Ltd.	Evergreen Marine Corp.	The parent	Sales	893,918	100%	30~60 days	-	-	79,666	99%	
Everport Terminal Services Inc.	Evergreen Marine Corp.	The parent	Sales	USD 48,254	11%	30~60 days	-	-	USD 2,219	6%	
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 76,497	17%	30 days	-	-	USD 4,825	13%	
	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	USD 43,105	10%	30 days	-	-	USD 2,226	6%	
	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	USD 121,382	27%	30 days	-	-	USD 5,916	16%	
	Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Sales	USD 12,707	3%	30 days	-	-	USD 858	2%	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	USD 8,937	2%	30 days	-	-	USD 440	1%	
	Evergreen Shipping Agency (America) Corporation	Investee of the Parent Company's major shareholder	Purchases	USD 8,745	2%	30 days	-	-	-	-	
Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine Corp.	The parent	Sales	USD 19,130	5%	30~60 days	-	-	-	-	
			Purchases	USD 3,743	1%	30~60 days	-	-	(USD 57)	-	
	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	USD 32,710	9%	30~60 days	-	-	-	-	
			Purchases	USD 7,686	2%	30~60 days	-	-	-	-	
	Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Sales	USD 6,667	2%	30~60 days	-	-	-	-	
			Purchases	USD 5,813	2%	30~60 days	-	-	-	-	
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 7,325	2%	30~60 days	-	-	-	-	
			Purchases	USD 9,928	3%	30~60 days	-	-	(USD 14)	-	

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/ sales	Amount	Percentage of total purchases/ sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Evergreen Marine (Hong Kong) Ltd.	Evergreen International Corp.	Investee of the Parent Company's major shareholder	Sales	USD 10,535	3%	30~60 days	$ -	-	USD 903	1%	
			Purchases	USD 11,723	4%	30~60 days	-	-	-	-	
	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	USD 8,761	2%	30~60 days	-	-	USD 130	-	
			Purchases	USD 29,271	9%	30~60 days	-	-	(USD 102)	-	
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 8,937	3%	30 days	-	-	(USD 440)	1%	
	Master International Shipping Agency Co., Ltd.	Indirect subsidiary of the Parent Company	Purchases	USD 3,538	1%	30~60 days	-	-	(USD 3,538)	5%	
Greencompass Marine S.A.	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	USD 53,300	2%	30~60 days	-	-	USD 1,183	-	
			Purchases	USD 32,095	1%	30~60 days	-	-	(USD 382)	-	
	Evergreen Marine Corp.	The parent	Sales	USD 52,384	2%	30~60 days	-	-	USD 672	-	
			Purchases	USD 49,646	2%	30~60 days	-	-	(USD 253)	-	
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 43,105	2%	30 days	-	-	(USD 2,226)	1%	
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 85,897	3%	30~60 days	-	-	USD 2,214	1%	
			Purchases	USD 23,702	1%	30~60 days	-	-	(USD 443)	-	
	Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Sales	USD 31,255	1%	30~60 days	-	-	-	-	
			Purchases	USD 46,437	2%	30~60 days	-	-	-	-	
	Evergreen Shipping Agency (America) Corporation	Investee of the Parent Company's major shareholder	Purchases	USD 19,432	1%	30~60 days	-	-	-	-	
	Evergreen International Corp.	Investee of the Parent Company's major shareholder	Purchases	USD 12,860	-	30~60 days	-	-	(USD 1,055)	-	
	Evergreen Shipping Agency (Japan)	Investee of the Parent Company's major shareholder	Purchases	USD 6,581	-	30~60 days	-	-	-	-	
	Evergreen Shipping Agency (Europe) GmbH	Indirect subsidiary of the Parent Company	Purchases	USD 14,589	1%	30~60 days	-	-	-	-	

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/ sales	Amount	Percentage of total purchases/ sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Greencompass Marine S.A.	Evergreen Insurance Company Limited	Investee of the Parent Company's major shareholder	Purchases	USD 5,094	-	30~60 days	$ -	-	(USD 938)	-	
	Evergreen Marine Co. (Malaysia) SDN.BHD.	Indirect subsidiary of the Parent Company	Purchases	USD 5,446	-	30~60 days	-	-	-	-	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	USD 7,686	-	30~60 days	-	-	-	-	
			Purchases	USD 32,710	1%	30~60 days	-	-	-	-	
	PT. Evergreen Shipping Agency Indonesia	Investee of Peony Investment S.A.	Purchases	USD 3,607	0%	30~60 days	-	-	-	-	
Evergreen Marine (UK) Limited	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	USD 32,095	2%	30~60 days	-	-	USD 382	-	
			Purchases	USD 53,300	3%	30~60 days	-	-	(USD 1,183)	1%	
	Evergreen Marine Corp.	The Parent	Sales	USD 8,304	-	30~60 days	-	-	USD 4	-	
			Purchases	USD 24,171	1%	30~60 days	-	-	(USD 310)	-	
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 121,382	7%	30 days	-	-	(USD 5,916)	3%	
	Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Sales	USD 12,041	1%	30~60 days	-	-	USD 367	-	
			Purchases	USD 17,127	1%	30~60 days	-	-	(USD 364)	-	
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 26,722	2%	30~60 days	-	-	USD 673	-	
			Purchases	USD 9,030	1%	30~60 days	-	-	(USD 526)	-	
	Evergreen Shipping Agency (America) Corporation	Investee of the Parent Company's major shareholder	Purchases	USD 28,699	2%	30~60 days	-	-	-	-	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	USD 29,271	2%	30~60 days	-	-	USD 102	-	
			Purchases	USD 8,761	1%	30~60 days	-	-	(USD 130)	-	
	Evergreen International Corp.	Investee of the Parent Company's major shareholder	Purchases	USD 8,310	-	30~60 days	-	-	(USD 226)	-	
	Evergreen Insurance Company Limited	Investee of the Parent Company's major shareholder	Purchases	USD 4,167	-	30~60 days	-	-	-	-	

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/ sales	Amount	Percentage of total purchases/ sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Evergreen Marine (UK) Limited	Evergreen Shipping Agency (Europe) GmbH	Indirect subsidiary of the Parent Company	Purchases	USD 6,671	-	30~60 days	$ -	-	$ -	-	
Evergreen Heavy Industrial Corp.(Malaysia) Berhad	Gaining Enterprise S.A.	Investee of EITC	Sales	MYR 64,925	21%	45 days	-	-	-	-	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	MYR 249,169	79%	45 days	-	-	MYR 49,931	100%	
Evergreen Shipping Agency (Europe) GmbH	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	EUR 12,354	34%	30~60 days	-	-	-	-	
	Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Sales	EUR 4,813	13%	30~60 days	-	-	EUR 434	1%	
	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	EUR 5,649	15%	30~60 days	-	-	-	-	
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	EUR 9,921	27%	30~60 days	-	-	EUR 892	2%	
Master International Shipping Agency Co. Ltd.	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	CNY 23,434	96%	30~60 days			CNY 24,295	100%	

Note 1: If terms of related-party transactions are different from third-party transactions, explain the differences and reasons in the ‘Unit price’ and ‘Credit term’ columns.

Note 2: In case related-party transaction terms involve advance receipts (prepayments) transactions, explain in the footnote the reasons, contractual provisions, related amounts, and differences in types of transactions compared to third-party transactions.

Note 3: Paid-in capital referred to herein is the paid-in capital of parent company.

Evergreen Marine Corporation (Taiwan) Ltd.
Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more
December 31, 2018

Table 6

Expressed in thousands of NTD/thousands of foreign currency

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2018 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts	Footnote
					Amount	Action taken			
Evergreen Marine Corp.	Evergreen International Corporation	Investee of the Company's major shareholder	$ 212,956	-	$ -	-	$ 211,519	$ -	
Peony Investment S.A.	Clove Holding Ltd.	Subsidiary	USD 20,194	-	-	-	-	-	
Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Evergreen Marine (Hong Kong) Ltd.	Investee of the Parent Company's major shareholder	MYR 49,931	-	-	-	MYR 49,931	-	
Clove Holding Ltd.	Colon Container Terminal, S.A.	Investee of Clove Holding Ltd. accounted for using equity method	USD 9,689	-	-	-	-	-	

Note 1: Fill in separately the balances of accounts receivable–related parties, notes receivable–related parties, other receivables–related parties, etc.
Note 2: Paid-in capital referred to herein is the paid-in capital of parent company.

Evergreen Marine Corporation (Taiwan) Ltd.
Significant inter-company transactions during the reporting periods
For the year ended December 31, 2018

Table 7

Expressed in thousands of NTD

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Evergreen Marine Corporation	Taiwan Terminal Services Co.,Ltd.	1	Operating cost	$ 893,918	Note 4	0.53
0	Evergreen Marine Corporation	Greencompass Marine S.A.	1	Shipowner's account - debit	114,568	"	0.05
0	Evergreen Marine Corporation	Greencompass Marine S.A.	1	Operating revenue	1,497,882	"	0.89
0	Evergreen Marine Corporation	Greencompass Marine S.A.	1	Operating cost	1,580,488	"	0.93
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	1	Shipowner's account - debit	675,749	"	0.30
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	1	Operating revenue	729,254	"	0.43
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	1	Operating cost	250,536	"	0.15
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	1	Shipowner's account - credit	613,053	"	0.27
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	1	Operating revenue	112,920	"	0.07
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	1	Operating cost	577,182	"	0.34
0	Evergreen Marine Corporation	Everport Terminal Services Inc.	1	Operating cost	1,455,870	"	0.86
1	Greencompass Marine S.A.	Evergreen Marine (UK) Limited	3	Shipowner's account - debit	354,342	"	0.15
1	Greencompass Marine S.A.	Evergreen Marine (Hong Kong) Ltd.	3	Operating cost	986,885	"	0.58
1	Greencompass Marine S.A.	Everport Terminal Services Inc.	3	Operating cost	1,300,513	"	0.77
1	Greencompass Marine S.A.	Evergreen Marine Corp. (Malaysia) SDN BHD	3	Operating cost	164,311	"	0.10
2	Evergreen Marine (UK) Limited	Greencompass Marine S.A.	3	Operating revenue	968,342	"	0.57
2	Evergreen Marine (UK) Limited	Greencompass Marine S.A.	3	Operating cost	1,608,121	"	0.95
2	Evergreen Marine (UK) Limited	Everport Terminal Services Inc.	3	Operating cost	3,662,221	"	2.16
2	Evergreen Marine (UK) Limited	Everport Terminal Services Inc.	3	Account payable	181,951	"	0.08
2	Evergreen Marine (UK) Limited	Evergreen Marine (Hong Kong) Ltd.	3	Operating revenue	883,133	"	0.52
2	Evergreen Marine (UK) Limited	Evergreen Marine (Hong Kong) Ltd.	3	Operating cost	264,318	"	0.16
3	Evergreen Heavy Industrial Co., (Malaysia) Berhad	Evergreen Marine (Hong Kong) Ltd.	3	Operating revenue	1,861,135	"	1.10
3	Evergreen Heavy Industrial Co., (Malaysia) Berhad	Evergreen Marine (Hong Kong) Ltd.	3	Account receivables	369,255	"	0.16

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
4	Evergreen Marine (Hong Kong) Ltd.	Greencompass Marine S.A.	3	Operating cost	$ 231,885	Note 4	0.14
4	Evergreen Marine (Hong Kong) Ltd.	Greencompass Marine S.A.	3	Shipowner's account - credit	325,710	"	0.14
4	Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine (UK) Limited	3	Shipowner's account - credit	234,668	"	0.10
4	Evergreen Marine (Hong Kong) Ltd.	Everport Terminal Services Inc.	3	Operating cost	269,625	"	0.16
4	Evergreen Marine (Hong Kong) Ltd.	Master International Shipping Agency Co., Ltd.	3	Account payable	108,813	"	0.05
5	Master International Shipping Agency Co., Ltd.	Evergreen Marine (Hong Kong) Ltd.	3	Operating revenue	106,357	"	0.06
6	Peony Investment S.A.	Clove Holding Ltd.	3	Other receivables	621,046	"	0.27
7	Evergreen Shipping Agency (Europe) GmbH	Greencompass Marine S.A.	3	Operating revenue	415,318	"	0.25
7	Evergreen Shipping Agency (Europe) GmbH	Greencompass Marine S.A.	3	Shipowner's account - credit	385,266	"	0.17
7	Evergreen Shipping Agency (Europe) GmbH	Evergreen Marine (UK) Limited	3	Operating revenue	199,075	"	0.12
7	Evergreen Shipping Agency (Europe) GmbH	Evergreen Marine (Hong Kong) Ltd.	3	Shipowner's account - credit	188,978	"	0.08

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is ‘0’.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; Fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1) Parent company to subsidiary.

(2) Subsidiary to parent company

(3) Subsidiary to subsidiary

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Terms are approximately the same as for general transactions.

Note 5: The Company may decide whether or not to disclose transaction details in this table based on the Materiality Principle.

Evergreen Marine Corporation (Taiwan) Ltd.

Information on investees (not including investee company of Mainland China)

For the year ended December 31, 2018

Table 8

Expressed in thousands of shares/thousands of NTD

Investor	Investee (Note 1)	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2018			Net profit (loss) of the investee For the year ended December 31, 2018 (Note 1(2))	Investment income (loss) recognised by the Company For the year ended December 31, 2018 (Note 1(3))	Footnote
				Balance as of December 31, 2018	Balance as of December 31, 2017	Number of shares	Ownership (%)	Book value			
Evergreen Marine Corp.	Peony Investment S.A.	Republic of Panama	Investment activities	$ 14,654,043	$ 14,654,043	4,765	100.00	$ 28,732,006	($ 1,888,994)	($ 1,896,945)	Subsidiary of the Company
	Taiwan Terminal Services Co., Ltd.	Taiwan	Loading and discharging operations of container yards	55,000	55,000	5,500	55.00	53,286	27,476	15,112	〃
	Everport Terminal Services Inc.	U.S.A	Terminal services	3,075	3,075	1	94.43	1,047,007	553,979	523,115	〃
	Evergreen Marine (Hong Kong) Ltd.	Hong Kong	Marine transportation	6,438,245	6,438,245	6,320	79.00	7,218,598	979,323	773,665	〃
	Charng Yang Development Co.,Ltd.	Taiwan	Development, rental, sale of residential and commercial buildings	320,000	320,000	58,542	40.00	544,057	171,613	68,645	Investee accounted for using equity method
	Evergreen International Storage and Transport Corporation	Taiwan	Container transportation and gas stations	4,840,408	4,753,514	430,692	40.36	8,884,659	863,837	348,173	〃
	Evergreen Security Corporation	Taiwan	General security guards services	25,000	25,000	6,336	31.25	111,665	49,790	15,560	〃
	EVA Airways Corporation	Taiwan	International passengers and cargo transportation	10,767,879	10,767,879	714,825	16.31	10,334,116	6,552,827	1,068,918	〃
	Taipei Port Container Terminal Corporation	Taiwan	Container distribution and cargo stevedoring	1,094,073	1,094,073	109,378	21.03	1,026,338	234,439	49,312	〃
	Evergreen Marine (Latin America), S.A.	Republic of Panama	Management consultancy	3,229	3,229	105	17.50	3,474	1,371	240	〃
	VIP Greenport Joint Stock Company	Vietnam	Terminal services	178,750	178,750	13,750	21.74	253,667	219,747	47,771	〃
Peony Investment S.A.	Clove Holding Ltd.	British Virgin Islands	Investment holding company	1,616,074	1,616,074	10	100.00	2,752,969	42,847	42,847	Indirect subsidiary of the Company
	Evergreen Shipping Agency (Europe) GmbH	Germany	Shipping agency	255,746	255,746	-	100.00	299,158	17,957	17,957	〃
	Evergreen Shipping Agency (Korea) Corporation	South Korea	Shipping agency	74,608	74,608	121	100.00	48,857	12,772	12,772	〃
	Evergreen Shipping Agency (Poland) SP. ZO. O	Poland	Shipping agency	-	20,359	2	100.00	-	-	-	〃
	Greencompass Marine S.A.	Republic of Panama	Marine transportation	10,871,362	10,871,362	3,535	100.00	15,801,771	(1,334,891)	(1,334,891)	〃
	Evergreen Shipping Agency (India) Pvt. Ltd.	India	Shipping agency	36,188	36,188	100	99.99	142,568	45,819	45,818	〃
	Evergreen Argentina S.A.	Argentina	Leasing	4,305	4,305	150	95.00	970	(7,407)	(7,037)	〃

Investor	Investee (Note 1)	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2018			Net profit (loss) of the investee For the year ended December 31, 2018 (Note 1(2))	Investment income (loss) recognised by the Company For the year ended December 31, 2018 (Note 1(3))	Footnote
				Balance as of December 31, 2018	Balance as of December 31, 2017	Number of shares	Ownership (%)	Book value			
Peony Investment S.A.	PT. Multi Bina Pura International	Indonesia	Loading and discharging operations of container yards and inland transportation	$ 241,137	$ 241,137	17	95.03	$ 502,803	$ 114,147	$ 108,473	Indirect subsidiary of the Company
	PT. Multi Bina Transport	Indonesia	Container repair, cleaning and inland transportation	24,735	24,735	2	17.39	14,248	5,914	1,028	〃
	Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Malaysia	Container manufacturing	839,412	839,412	42,120	84.44	1,002,482	53,652	45,304	〃
	Armand Investment (Netherlands) N.V.	Curacao	Investment holding company	354,050	354,050	4	70.00	323,664	20,198	14,139	〃
	Evergreen Shipping (Spain) S.L.	Spain	Shipping agency	207,442	207,442	6	100.00	236,380	151,681	151,681	〃
	Evergreen Shipping Agency (Italy) S.p.A.	Italy	Shipping agency	72,332	72,332	0.55	55.00	91,804	70,370	38,704	〃
	Evergreen Marine (UK) Limited	U.K	Marine transportation	4,124,126	2,555,697	765	51.00	1,529,399	(1,333,238)	(679,951)	〃
	Evergreen Shipping Agency (Australia) Pty. Ltd.	Australia	Shipping agency	52,539	7,599	1	100.00	124,808	125,187	84,501	〃
	Evergreen Shipping Agency (Russia) Ltd.	Russia	Shipping agency	26,079	26,079	-	51.00	19,007	73,185	37,324	〃
	Evergreen Shipping Agency (Singapore) Pte. Ltd.	Singapore	Shipping agency	-	66,335	765	51.00	-	-	-	〃
	Evergreen Shipping Agency (Thailand) Co., Ltd.	Thailand	Shipping agency	68,980	61,199	680	85.00	105,232	78,830	67,005	〃
	Evergreen Agency (South Africa) (Pty) Ltd.	South Africa	Shipping agency	17,868	17,868	5,500	55.00	100,350	127,945	70,370	〃
	Evergreen Shipping Agency (Vietnam) Corp.	Vietnam	Shipping agency	37,858	13,962	-	100.00	167,404	138,967	138,967	〃
	PT. Evergreen Shipping Agency Indonesia	Indonesia	Shipping agency	29,923	29,923	0.441	49.00	123,188	99,136	48,577	Investee company of Peony accounted for using equity method
	Luanta Investment (Netherlands) N.V.	Curaçao	Investment holding company	1,461,999	1,453,949	460	50.00	1,933,827	(12,120)	(6,060)	〃
	Balsam Investment (Netherlands) N.V.	Curaçao	Investment holding company	12,091,859	11,639,782	0.451	49.00	658,599	(2,207,677)	(1,081,762)	〃
	Green Peninsula Agencies SDN. BHD.	Malaysia	Investment holding company	223,117	223,117	24	30.00	65	(380)	(114)	〃
	Evergreen Shipping Agency Co. (U.A.E.) LLC	United Arab Emirates	Shipping agency	64,029	64,029	-	49.00	78,903	80,200	39,298	〃
	Greenpen Properties Sdn. Bhd.	Malaysia	Renting estate and storehouse company	13,102	13,102	1,500	30.00	41,527	14,145	4,243	〃
	Evergreen Marine Corp. (Malaysia) SDN.BHD.	Malaysia	Shipping agency	289,519	3,788	500	100.00	592,961	250,142	250,142	Indirect subsidiary of the Company
	Evergreen Marine (Hong Kong) Ltd.	Hong Kong	Marine transportation	81,497	81,497	80	1.00	91,375	979,323	9,793	Investee company of Peony accounted for using equity method

Investor	Investee (Note 1)	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2018			Net profit (loss) of the investee For the year ended December 31, 2018 (Note 1(2))	Investment income (loss) recognised by the Company For the year ended December 31, 2018 (Note 1(3))	Footnote
				Balance as of December 31, 2018	Balance as of December 31, 2017	Number of shares	Ownership (%)	Book value			
Peony Investment S.A.	Ics Depot Services Snd. Bhd.	Malaysia	Depot services	$ 34,259	$ -	286	28.65	$ 60,962	$ 49,639	$ 6,591	Investee company of Peony accounted for using equity method
Armand Investment (Netherlands) N.V.	Armand Estate B.V.	Netherlands	Investment holding company	520,839	520,839	-	100.00	466,259	20,915	20,915	Indirect subsidiary of the Company
Armand Estate B.V.	Taipei Port Container Terminal Corporation	Taiwan	Container distribution and cargo stevedoring	50,602	50,602	50,602	9.73	474,046	234,439	22,811	Investee company of Armand Estate B.V. accounted for using equity method
Clove Holding Ltd.	Colon Container Terminal, S.A.	Republic of Panama	Inland container storage and loading	703,025	703,025	22,860	40.00	2,645,712	50,352	20,141	Investee company of Clove Holding Ltd. accounted for using equity method
	Everport Terminal Services Inc.	U.S.A	Terminal services	200,019	-	0.059	5.57	221,434	553,978	30,863	Investee company of Clove Holding Ltd. accounted for using equity method (Note)
Evergreen Marine (UK) Limited	Evergreen Marine (Latin America), S.A.	Republic of Panama	Management consultancy	3,045	3,045	99	16.50	3,275	1,371	226	Investee company of Evergreen Marine (UK) Limited accounted for using equity method
Everport Terminal Services Inc.	Whitney Equipment LLC.	U.S.A	Equipment Leasing Company	6,151	-	-	100.00	192,943	23,716	23,716	Investee company of Everport Terminal Services Inc. accounted for using equity method
PT. Multi Bina Pura International	PT. Multi Bina Transport	Indonesia	Container repair cleaning and inland transportation	101,530	101,530	8	72.95	59,771	5,914	4,314	Indirect subsidiary of the Company
Evergreen Marine (Hong Kong) Limited	Colon Container Terminal S.A.	Republic of Panama	Inland container storage and loading	479,755	-	5,144	9.00	615,720	50,352	3,666	Investee company of Evergreen Marine (Hong Kong) Limited accounted for using equity method
	Evergreen Marine (Latin America), S.A.	Republic of Panama	Management consultancy	3,045	3,045	99	16.50	3,275	1,371	226	〃
	Evergreen Shipping Service (Cambodia) Co., Ltd.	Cambodia	Shipping agency	6,151	3,998	200	100.00	12,376	6,107	6,107	Indirect subsidiary of the Company

Investor	Investee (Note 1)	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2018			Net profit (loss) of the investee For the year ended December 31, 2018 (Note 1(2))	Investment income (loss) recognised by the Company For the year ended December 31, 2018 (Note 1(3))	Footnote
				Balance as of December 31, 2018	Balance as of December 31, 2017	Number of shares	Ownership (%)	Book value			
Evergreen Marine (Hong Kong) Limited	Evergreen Shipping Agency (PERU) S.A.C.	Peru	Shipping agency	$ 8,537	$ -	900	60.00	$ 23,570	$ 25,292	$ 15,175	Indirect subsidiary of the Company
	Evergreen Shipping Agency (Colombia) S.A.S	Colombia	Shipping agency	10,796	-	80	100.00	(574)	(10,981)	(10,981)	〃
	Evergreeb Shipping Agency (Mexico) S.A. DE C.V.	Mexico	Shipping agency	7,049	-	44.40	60.00	10,580	5,819	3,491	〃
	Evergreeb Shipping Agency (CHILE)SPA.	Chile	Shipping agency	9,805	-	1.5	60.00	17,097	13,135	7,881	〃

Note 1: If situation does not belong to Note 1, fill in the columns according to the following regulations:

(1) The columns of 'Investee', 'Location', 'Main business activities', 'Initial investment amount' and 'Shares held as at December 31, 2018' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column.

(2) The 'Net profit (loss) of the investee For the year ended December 31, 2018' column should fill in amount of net profit (loss) of the investee for this period.

(3) The'Investment income (loss) recognised by the Company For the year ended December 31, 2018' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

Evergreen Marine Corporation (Taiwan) Ltd.

Information on investments in Mainland China

For the year ended December 31, 2018

Table 9

Expressed in thousands of NTD

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2018	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2018		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2018	Net income (loss) of the investee for the year ended December 31, 2018	Ownership held by the Company (direct of indirect) (%)	Investment income (loss) recognised by the Company. For the year ended December 31, 2018 (Note 2(2)B)	Book value of investments in Mainland China as of December 31, 2018	Accumulted amount of investment income remitted back to Taiwan as of December 31, 2018	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Ningbo Victory Container Co., Ltd.	Inland container transportation, container storage, loading, discharging, repair and related activities	$ 559,746	(2)	$ 220,241	$ -	$ -	$ 220,241	$ 25,341	40.00	$ 10,137	$ 277,074	$ -	
Qingdao Evergreen Container Storage & Transportation Co., Ltd.	Inland container transportation, storage, loading, discharging, repair, cleaning and related activities	190,353	(2)	43,575	-	-	43,575	219,369	40.00	87,747	191,016	-	
Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	Inland container transportation, storage, loading, discharging, repair, cleaning and related activities	349,038	(2)	123,014	168,076	-	291,090	28,027	56.00	11,631	246,811	-	
Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	1,945,977	(2)	2,505,191	-	-	2,505,191	22,555	80.00	(56,013)	3,332,384	-	
Ever Shine (Ningbo) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	192,593	(2)	277,147	-	-	277,147	(1,239)	80.00	(934)	152,305	-	
Ever Shine (Shenzhen) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	274,765	(2)	-	482,230	-	482,230	2,813	80.00	(570)	417,532	-	
Ever Shine (Qingdao) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	222,781	(2)	-	393,103	-	393,103	1,778	80.00	(145)	250,770	-	

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2018	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2018		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2018	Net income (loss) of the investee for the year ended December 31, 2018	Ownership held by the Company (direct of indirect) (%)	Investment income (loss) recognised by the Company. For the year ended December 31, 2018 (Note 2(2)B)	Book value of investments in Mainland China as of December 31, 2018	Accumulted amount of investment income remitted back to Taiwan as of December 31, 2018	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Master International Shipping Agency Co., Ltd.	Inland container transportation, storage, loading, discharging, passenger transportation and related activities	$ 22,395	(2)	$ -	$ 84,904	$ -	$ 84,904	$ 48,085	39.20	$ 1,879	$ 32,023	$ -	

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2018	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Evergreen Marine Corp.	$ 4,297,481	$ 4,864,612	$ 40,106,538

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

(1) Directly invest in a company in Mainland China.

(2) Through investing in an existing company, Peony Investment S.A. and Evergreen Marine (Hong Kong) Ltd., in the third area, which then invested in the investee in Mainland China.

(3) Others

Note 2: In the 'Investment income (loss) recognised by the Company for the year ended December 31, 2018' column:

(1) It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.

(2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:

A. The financial statements that are audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.

B. The financial statements that are audited and attested by R.O.C. parent company's CPA.

C. Others.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.

I. Analysis of Financial Status

Unit: NT$ thousands

Item \ Year	2018	2017	Difference	
			Amount	%
Current Assets	67,898,508	60,951,228	6,947,280	11.40%
Non-current assets	161,113,447	139,128,669	21,984,778	15.80%
Total Assets	229,011,955	200,079,897	28,932,058	14.46%
Current Liabilities	50,061,985	44,760,401	5,301,584	11.84%
Non-current liabilities	107,982,134	88,630,706	19,351,428	21.83%
Total Liabilities	158,044,119	133,391,107	24,653,012	18.48%
Common stock	45,129,738	40,123,560	5,006,178	12.48%
Capital surplus	11,059,145	10,838,075	221,070	2.04%
Retained Earnings	9,462,191	11,754,606	(2,292,415)	-19.50%
Other equity interest	1,193,156	682,313	510,843	74.87%
Equity attributable to owners of the parent	66,844,230	63,398,554	3,445,676	5.43%
Non-controlling interest	4,123,606	3,290,236	833,370	25.33%
Total equity	70,967,836	66,688,790	4,279,046	6.42%

Analysis of changes in financial ratios:

(1) The increase of non-current liabilities principally resulted from the loans and the issuance of the corporate bonds.

(2) Owing to the appreciation of foreign exchange rate for US dollar against New Taiwan Dollar at the end of 2018, compared with 2017, the exchange profit on translation of foreign financial statements was increased. As a consequence, other equity was increased as well.

(3) The capital and the profit of subsidiaries for 2018 were comparatively higher than 2017; therefore, non-controlling Interests was increased

II. Analysis of Financial Performance

Unit: NT$ thousands

Item \ Year	2018	2017	Difference	
			Amount	%
Operating revenue	169,236,653	150,582,692	18,653,961	12.39%
Operating costs	161,771,163	139,693,568	22,077,595	15.80%
Gross profit	7,465,490	10,889,124	(3,423,634)	-31.44%
Unrealized profit from sales	(8,131)	(27,306)	19,175	-70.22%
Realized profit on from sales	13,509	12,469	1,040	8.34%
Gross profit	7,470,868	10,874,287	(3,403,419)	-31.30%
Operating expenses	8,054,981	6,558,601	1,496,380	22.82%
Other gains - net	1,510,330	501,784	1,008,546	200.99%
Operating profit (loss)	926,217	4,817,470	(3,891,253)	-80.77%
non-operating income and expenses	269,187	2,630,079	(2,360,892)	-89.77%
Profit (loss) before income tax	1,195,404	7,447,549	(6,252,145)	-83.95%
Income tax expense	1,116,903	785,928	330,975	42.11%
Profit (loss)	78,501	6,661,621	(6,583,120)	-98.82%
Owners of the parent	293,919	7,005,171	(6,711,252)	-95.80%
Non-controlling interest	(215,418)	(343,550)	128,132	-37.30%
Other comprehensive income (loss)	575,603	(2,971,907)	3,547,510	-119.37%
Comprehensive income (loss)	654,104	3,689,714	(3,035,610)	-82.27%
Owners of the parent	1,031,164	4,562,000	(3,530,836)	-77.40%
Non-controlling interest	(377,060)	(872,286)	495,226	-56.77%

Analysis of changes in financial ratios:

(1) Given that both the marine freight volume and oil costs were higher than last year, the operating revenue and operating costs respectively went up by 12.39% and 15.80%, which brought about the decrease of gross profit.

(2) The total net unrealized profit from sales was less than last year, which was mainly due to the decrease of transactions between the related parties in 2018.

(3) The operating expenses were higher than last year since the group merged new subsidiary companies.

(4) The net amount of other gains was higher than last year, owing to the increase of net gains on the disposal of property, plants and equipment.

(5) The total net non-operating income was less than last year on account of the comparatively lower share of profit of associates & joint ventures accounted for the using equity method in 2018.

III. Analysis of Cash Flow

1. Cash Flow Analysis for the Current Year

Unit: NT$ thousands

Cash and Cash Equivalents, Beginning of Year (1)	Net Cash Flow from Operating Activities (2)	Net Cash Inflow (Outflow) fom Investment and Financing (3)	Cash Surplus (Deficit) (1)+(2)-(3)	Leverage of Cash Deficit	
				Investment Plans	Financing Plans
38,108,263	3,045,171	(2,922,912)	38,230,522	-	-

Analysis of deviation:

A. Operating activities: Estimated cash flow generated from operating activities

B. Investing activities: The net cash outflow is due to the investment accounted for the using equity method and the purchase of the vessels, containers and equipment.

C. Financing activities: The net cash inflow from the bank borrowing.

Remedy Measures of Inadequate Liquidity: None.

2. Cash Flow Analysis for the Coming Yearr

Unit: NT$ thousands

Estimated Cash and Cash Equivalents, Beginning of Year (1)	Estimated Net Cash Flow from Operating Activities (2)	Estimated Net Cash Inflow (Outflow) fom Investment and Financing (3)	Estimated Cash Surplus (Deficit) (1)+(2)-(3)	Leverage of Cash Surplus (Deficit)	
				Investment Plans	Financing Plans
38,230,522	6,143,202	(4,887,383)	39,486,341	-	-

Analysis of cash flow deviation:

A. Cash balance at the beginning of the period: cash and cash equivalents for December 31, 2018.

B. Net cash flow from operating activities throughout the year: Estimated cash flow from operating activities.

C. Net cash flow from Investment and financing: Repayment of bank borrowing and purchase of fixed assets.

IV. Major Capital Expenditure Items

1. Major Capital Expenditure Items and Source of Capital

(1) Shipbuilding: The actual or expected source of funds is self-owned funds and mortgages after obtaining ownership of the assets. The following table shows the ship's delivery date, the total amount of funds required, and the use of funds.

Unit: US$ thousands

Actual or Planned Date of Completion	Total Capital	Actual or Expected Capital Expenditure			
		2018	2019	2020	2021
2018	525,761	444,514			
2019	158,897	21,874	137,023		
2020	634,247	66,446	97,304	470,497	
2021	342,240	33,596	33,243	56,273	219,128

(2) Leased improvements: From 2019 to 2020, chartered container vessels will have SOx scrubbers installed. It is estimated that the total amount will be US$33,548 thousand.

(3) Containers and Refrigeration units: The Company purchased 82,950 containers from

China International Marine Containers (Group) Co., Ltd., CXIC Group Containers Company Limited, Singamas Container Holdings Limited and Evergreen Heavy Industrial Corp. (Malaysia) in 2018 and 3,000 refrigeration units from Carrier Transicold Pte. Ltd. The transaction price totaled US$ 263,088 thousand.

The Company will purchase 34,750 containers from Dong Fang International Container (Hong Kong) Limited, CXIC Group Containers Company Limited and Singamas Container Holdings Limited in 2019. The total transaction price is US$ 85,812 thousand.

2. Expected Benefits

As new energy-efficient vessels and new containers join the operation, this will not only optimize fleet capacity, increase slot supply and provide customers with a wider range of services, but also reduce the company's operating costs.

V. Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year

In order to seek the best interests for the Company and its shareholders, the Company has undergone careful evaluation in investment and is not limited to the maritime industry. The company continues to require indirect investees to seize market opportunities and increase profits. The profit of investment accounted for using equity method is NT$1,013,565 thousand in 2018.

VI. Analysis of Risk Management

1. Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures

(1) Interest rate

A. The impact of interest fluctuation on the consolidated company:

Item	2018 (NT$ thousands,%)
Net amount of interest	(1,316,820)
Ratio of net amount of interest and sale revenue	0.78%
Ratio of net amount of interest and income before tax	110.16%

At the end of 2018, the interest change risks of the financial assets and financial liabilities were NT$4,293,236 thousand and NT$94,486,405 thousand. If the market rate increases 1%, the interest expense will be increased NT$901,932 thousand and the ratio of operating costs to expenses will be 0.53%.

B. Corresponding measure

For the purpose of improving the financial structure, increase long term working capital and decrease interest risks. EMC issued 8 billion in secured corporate bonds with a 5 year tenor on April 25, 2017, and issued 2 billion in secured corporate bonds with a 5 year tenor on June 27, 2018 with a fixed rate. It also fixed long term capital costs and avoided the risk of an increase in the market rate. The conditions of issue secured corporate bonds are as follows:

Content	Secured Corporate Bonds
Total price	NT$8,000,000,000
Coupon rate	Fixed rate
Tenor	5 years
Repayment method	Repayment of 50% of the principal in the fourth year and the remaining 50% in the fifth year
Issue date	April 25, 2017
Unused principal	None

Content	Secured Corporate Bonds
Total price	NT$2,000,000,000
Coupon rate	Fixed rate
Tenor	5 years
Repayment method	Repayment in lump sum upon maturity
Issue date	June 27, 2018
Unused principal	None

(2) Foreign exchange rates

A. The impact of exchange rates fluctuation on net income :

Item	2018 (NT$ thousands,%)
Net currency exchange gains	308,013
Ratio of operating revenue and net currency exchange gains	0.18%
Ratio of profit (loss) before income tax and net currency exchange gains	0.26%

For the year ending December 31, 2018, net currency exchange gains were NT$308,013 thousand. It was estimated as 0.18% of operating revenue and 0.26% of profit before income tax respectively.

The information on assets and liabilities was denominated in certain subsidiaries' functional currencies whose values would be materially affected by the exchange rate fluctuations held by the Group for the year ending December 31, 2018 amounting to NT$30,004,806 thousand and NT$31,126,230 thousand, respectively. From the aspect of monetary items of financial assets, if the exchange rate of USD:NTD had increased/decreased by 1%, net currency exchange gains would have increased/decreased by NT$300,048 thousand. From the aspect of monetary items of financial liabilities, if the exchange rate of USD:NTD had increased/decreased by 1%, net currency exchange gains would have increased/decreased by NT$294,003 thousand. If the exchange rate of HKD:USD had increased/decreased by 1%, net currency exchange gains would have increased/decreased by NT$4,021 thousand. If the exchange rate of GBP:USD had increased/decreased by 1%, net currency exchange gains would have increased/decreased by NT$2,292 thousand. If the exchange rate of RMB:USD had increased/decreased by 1%, net currency exchange gains would have increased/decreased by NT$9,395 thousand. If the exchange rate of EUR:USD had increased/decreased by 1%, net currency exchange gains would have increased/decreased by NT$1,551 thousand.

B. Corresponding measure

As the freight income is mainly in USD, we pay attention to the exchange rate fluctuation all the time and do the following actions:

a. Use a professional financial information system and keep close contact with financial institutions to get the most updated exchange rate information and act proactively.

b. Use the same currency of revenue to pay the expenses if possible in order to perform natural hedging to prevent exchange rate risks.

c. Open foreign currency accounts and sdjust the foreign currency holding on actual capital demand and the tendency of exchange rate.

(3) Inflation

The global economy started 2018 with stable growth, since unemployment in the world's major economies declined and the inflation rate rose steadily. But the momentum faded as the year progressed and growth trends diverged. Most of this was due to trade disputes between China and the United States, and also the volatility in the stock market. According to the prediction by IHS Markit, the global GDP growth will be slightly reduced to 3.2% from the previous year (2017). Despite crude oil falling sharply from October, 2018, the labor market in developed economies tightened. As a result, IHS Markit estimates global inflation will rise from last year 2.7% to 3.0%.

Overlooking 2019, the main institutions, such as the World Bank, expect global growth will edge down due to the risk of an escalation in trade conflicts, divergence of monetary policy for global central banks, and political uncertainty in Europe. Although the Organization of Petroleum Exporting Countries (OPEC) and allies agreed to cut oil production, the expected U.S. oil production will be higher than 2018. In additions, uncertainties that include U.S.-China trade tensions and political issues in Middle Eastern countries caused the main institutions to change their 2019 average forecast range of $62~$65 b/d for Brent oil. With lower expected price for oil in 2018, the estimation for global inflation will not rise much if at all. Over the near term, IHS Markit estimates that global inflation and inflation of developed economies will remain close to 3.0% and 2.0%, respectively.

Since our service routes are around the world, we signed contracts with our suppliers to reduce the volatility of main operation costs, such as port charges, stevedorage, and cargo claims. Furthermore, we charge fuel surcharges to customers and regularly review market conditions so as to reduce the risk of fuel price volatility.

2. Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions

Currently there is no outstanding for providing loans to other parties. All endorsements and guarantees are provided to the subsidiaries and affiliates. All related transactions are arranged according to our guidelines of providing loans, endorsements, and guarantees to other parties.

All derivatives trades are dealt with for hedging purposes. Interest rates and fuel swaps agreements are to hedge risk derived from market volatilities and fluctuations.

3. Future Research & Development Projects and Corresponding Budget

(1) Application system reform and upgrade development Project

(2) Empty/laden Container of Ocean & Inland Routing Optimization/Communication Platform Development
(3) Manager Change of Vessel (COV) on Current Sailing Schedules and Integrated Management Platform System Development
(4) Empty/Laden Container Ocean/inland combined transport Big Data Analysis
(5) Vessel spare parts allocation / transfer and reconditioning
(6) Big Data analysis for Vessel operation
(7) i-B/L & i-Dispatch of Bolero project enhancement & Optimize - Add L/C billing & financing function with related Banks
(8) Blockchain Application Project-Development new function with related Bank for financing of import bills
(9) Computerized of International large-scale customer Tender's shipment Bidding operation

The company is expected to invest about NT$ 20.03 million in related services expenditure on the above projects.

4. Effects of and Response to Changes in important policy and laws Relating to Corporate Finance and Sales

The Company has complied with the relevant laws and regulations set by the competent authorities, and is always aware of the adjustments and changes of the relevant laws and regulations. The information and reporting operations of the Company are in compliance with the laws and regulations. The Effects of and Changes in important policy and laws don’t have significant impact on Corporate Finance and Sales in 2018.

5. Effects of and Response to Changes in Technology and the Industry Relating to Corporate Finance and Sale: None.

6. The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company’s Response Measures

The company has established a comprehensive emergency response method, and holds simulation exercises from time to time, which can effectively respond to various emergencies and avoid the impact of corporate image.

7. Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans

On August 13, 2018, the company’s subsidiary, Evergreen Marine (Hong Kong) Ltd.,had resolution of board of directors acquired and integrated with Hatsu Marine (Hong Kong) Ltd. Integrate the general agent business in Greater China and take advantage of resource integration. Improve operational performance and customer service quality.

8. Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans: N/A

9. Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration: None.

10. Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%: None.

11. Effects of, Risks Relating to and Response to the Changes in Management Rights: None.

12. Litigation or Non-litigation Matters: None.

13. Other Major Risks

(1) Evaluation of market risk and coping strategies

A. Risks of market management

In running each service string, we pay attention to territorial economic changes and business impact from industry competitions. Our headquarters keeps close contact with each overseas branch on market info and we set up a Line Manager for dedicated management of each service string.

B. Risks of cost variation

In running each service string, we pay attention to flexibly managing diversified fixed and variable costs. Cost-related departments of our company regularly evaluate and update rolling budgets and we set up a dedicated Cost Control Team and Fuel Purchase Team across departments to coordinate with the Line Managers Team in enhancing operation performance to quickly fine-tune cost variations.

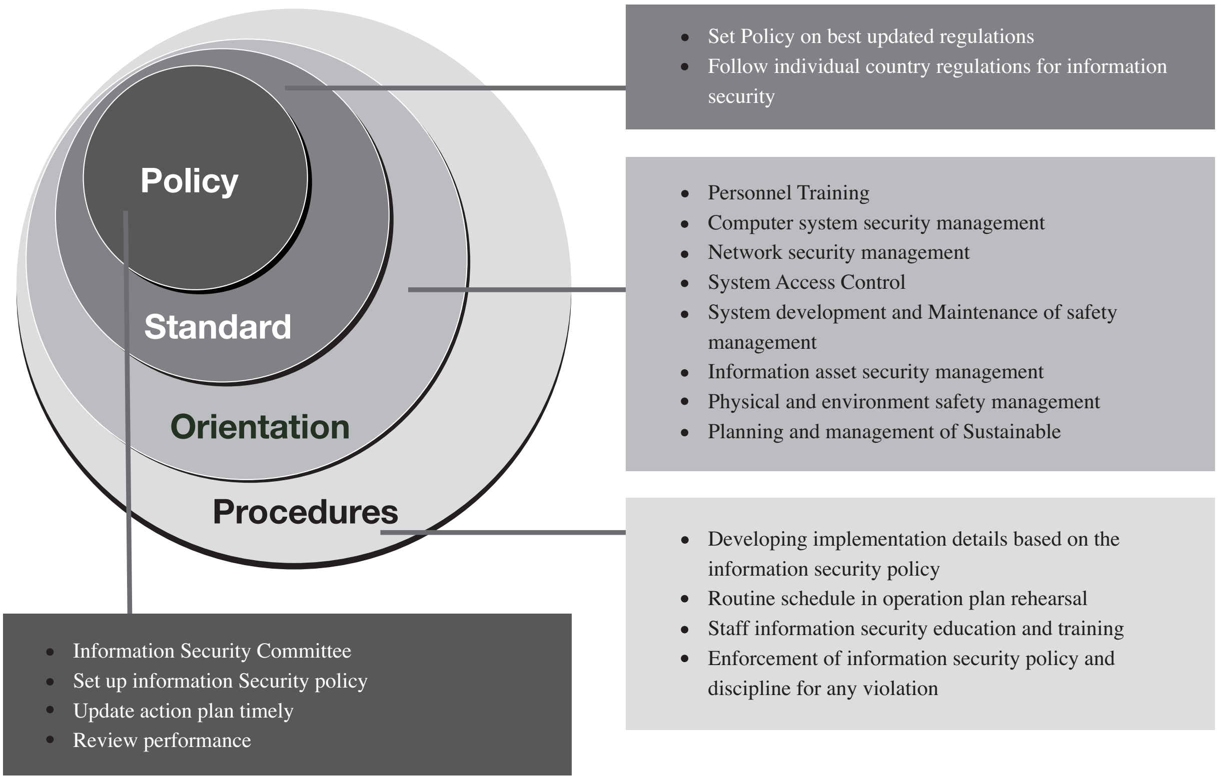
C. Risks of operation:

In running each service string, we ensure stability, safety, and regulatory compliance of sailing schedules and related operations. Our company, aside from personal dedication to individual ship operations in operation departments, also sets up a Schedule Coordinating Center to work closely with the fleet deployment team to keep our fleet safe and agile.

D. Risks of Information security

To enhance information security management, the company established the "Information Security Committee". Including information security policies, information security organizations and responsibilities, security classification of information assets, personnel training, computer system security management, network security management, system access control, system development and maintenance of safety management, physical and environmental safety management, business sustainability plan and internal auditing and reports regularly to the board of directors.

The Company Information Security Architecture:



(2) Strategies and Evaluations for Business Operating Risks

In addition to the dedication from each department head and each special cross-department team to reduce risks, we also have a Project Department to consolidate operating strategies and risk managements, to plan and coordinate related implementation.

14. In-charge Departments of Risk Managements

An In Auditing Department was also set up to schedule annual auditing plans to inspect and evaluate the implementation of risk management in each department, to make sure they are workable. Our risk management is assigned and organized as below table:

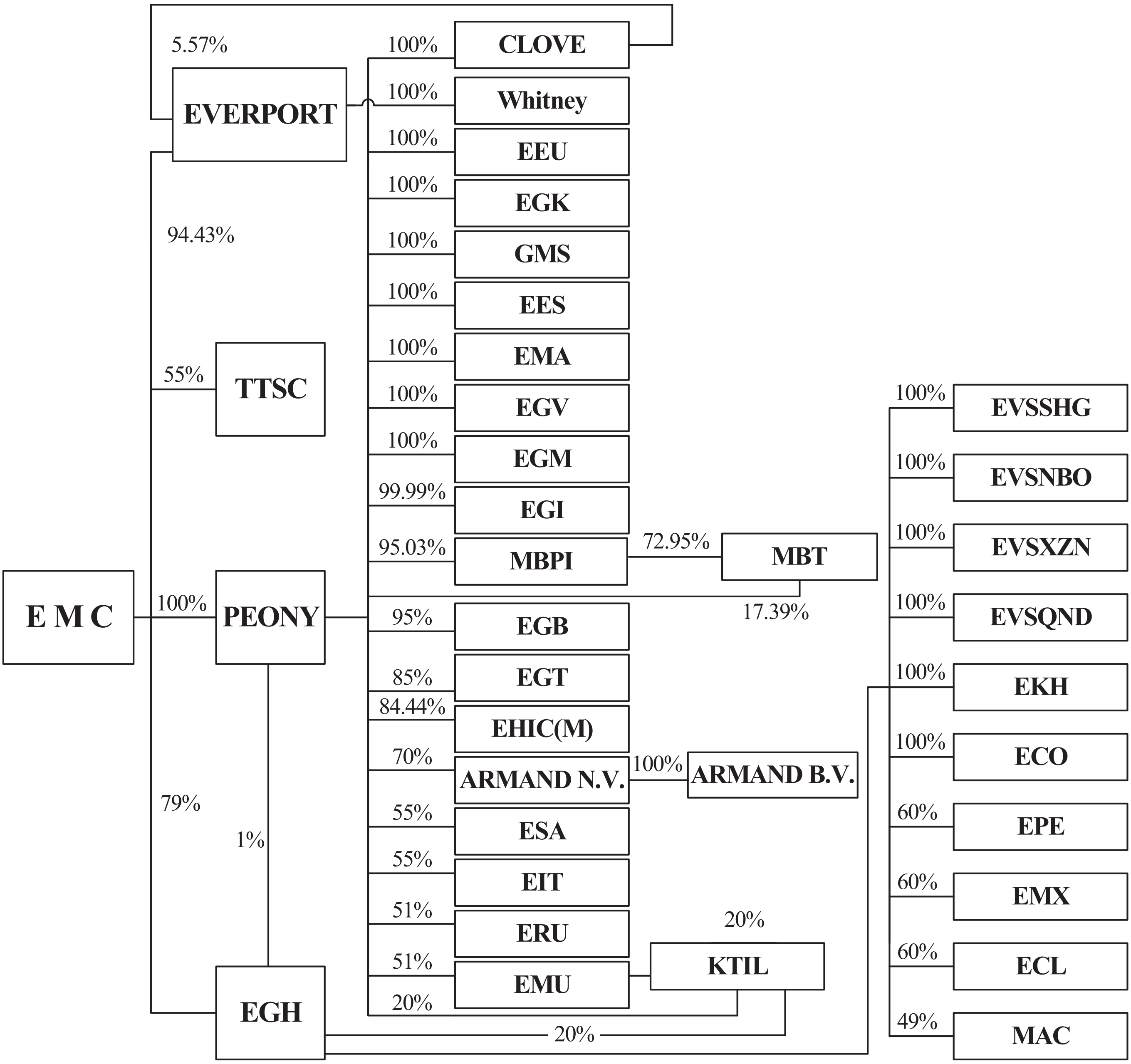
Risk Management	In-charge Department	Functions
Strategies & Business Operating Risks	Project Department	To plan company strategies, to evaluate cost efficiencies, to design service strings and fleet, and to supervise business administrations, etc.
Market Risks	Project Department Line Manager Cost Control Team Fuel Purchase Team Schedule Coordinating Center All Department Heads	To plan strategies and evaluate risks within and across each in-charge department.
Law Risks	Legal Dept. (Competition Compliance Team Included)	Corporate legal affairs including contracts and litigation. Establish company's regulatory compliances, provide training and ensure compliance with competition regulations.
Risk Management Auditing	Auditing Department	To audit executions of risk management in each department.

VII.Other important issues: None.

I. Summary of Affiliated Companies

1. Subsidiaries business report

(1) EMC Subsidiaries Chart



EMC	:	Evergreen Marine Corporation (Taiwan) LTD.
PEONY	:	Peony Investment S.A.
EVERPORT	:	Everport Terminal Services Inc.
EGH	:	Evergreen Marine (Hong Kong) Ltd.
TTSC	:	Taiwan Terminal Services Corp. Ltd.
CLOVE	:	Clove Holding Ltd.
Whitney	:	Whitney Equipment LLC.
EEU	:	Evergreen Shipping Agency (Europe) GmbH
EGK	:	Evergreen Shipping Agency (Korea) Corporation
GMS	:	Greencompass Marine S.A.
EES	:	Evergreen Shipping (Spain) S.L .
EMA	:	Evergreen Shipping Agency (Australia) Pty. Ltd.
EGV	:	Evergreen Shipping Agency (Vietnam) Corp.
EGM	:	Evergreen Marine Corp. (Malaysia) SDN. BHD.
EGI	:	Evergreen Shipping Agency (India) Pvt. Ltd.
MBPI	:	PT. Multi Bina Pura International
MBT	:	PT. Multi Bina Transport
EGB	:	Evergreen Argentina S.A.
EGT	:	Evergreen Shipping Agency (Thailand) Co., Ltd.
EHIC (M)	:	Evergreen Heavy Industrial Corp. (Malaysia) Berhad
ARMAND N.V.	:	Armand Investment (Netherlands) N.V.
ARMAND B.V.	:	Armand Estate B.V.
ESA	:	Evergreen Agency (South Africa) (Pty) Ltd.
EIT	:	Evergreen Shipping Agency (Italy) S.p.A.
ERU	:	Evergreen Shipping Agency (Russia) Ltd.
EMU	:	Evergreen Marine (UK) Limited
KTIL	:	Kingtrans Intl. Logistics (Tianjin) Co., Ltd.
EVSSHG	:	Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd.
EVSNBO	:	Ever Shine (Ningbo) Enterprise Management Consulting Co.,Ltd.
EVSXZN	:	Ever Shine (Shenzhen) Enterprise Management Consulting Co., Ltd.
EVSQND	:	Ever Shine (Qingdao) Enterprise Management Consulting Co., Ltd.
EKH	:	Evergreen Shipping Service (Cambodia) Co., Ltd.
ECO	:	Evergreen Shipping Agency (Colombia) S.A.S.
EPE	:	Evergreen Shipping Agency (Peru) S.A.C.
EMX	:	Evergreen Shipping Agency (Mexico) S.A.De C.V.
ECL	:	Evergreen Shipping Agency (Chile) SPA.
MAC	:	Master International Shipping Agency Co., Ltd.

(2) Basic information of Subsidiaries (As of DEC. 31, 2018)

Expressed in thousands of local currency

Company	Date Founded	Location	Capital	Main Business Activities
Peony Investment S.A.	Jan. 04, 1993	East 53rd Street, Marbella, Humboldt Building, 2nd Floor, Panama, Republic of Panama	USD 476,500	Investment holding company
Everport Terminal Services Inc.	Apr. 29, 2011	1209 Orange Street in the City of Wilmington, County of New Castle.	USD 105.9	Terminal services
Evergreen Marine (Hong Kong) Ltd.	Oct. 31, 1991	22-23/F., Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong.	HKD 8,000	Container shipping
Taiwan Terminal Services Corp. Ltd.	Dec. 27, 1997	No. 6, Qijin 1st Rd., Qijin Dist., Kaohsiung City 805, Taiwan (R.O.C.)	NTD 100,000	Cargo loading and discharging
Clove Holding Ltd.	Nov. 16, 2000	Craigmuir Chambers, P. O. Box71, Road Town, Tortola, B. V. I.	USD 10	Investment holding company
Whitney Equipment LLC.	Mar. 15, 2005	23864 Hawthorne Blvd., Suite 201, Torrance, CA 90505	USD 200	Equipment Leasing Company
Evergreen Shipping Agency (Europe) GmbH	Oct. 02, 1986	Amsinckstrasse 55 , 20097 Hamburg, Germany	EUR 61	Shipping agency
Evergreen Shipping Agency (Korea) Corporation	Jan. 01, 2001	12F, 19, SAEMUNAN-RO 5-GIL, JONGNO-GU, SEOUL, REPUBLIC OF KOREA	KRW 606,000	Shipping agency
Greencompass Marine S.A.	Aug. 16, 1993	2nd Floor, Humboldt Tower, East 53rd Street, Urb. Marbella, Panama City, Rep. of Panama	USD 353,500	Container shipping
Evergreen Shipping (Spain) S.L.	Jan. 01, 2007	Calle Siete Aguas, 11-entlo.,Valencia 46023 Spain	EUR 600	Shipping agency
Evergreen Shipping Agency (Australia) Pty. Ltd.	May. 27, 2002	LEVEL 11, 77 PACIFIC HIGHWAY , NORTH SYDNEY , NEW SOUTH WALES 2060	AUD 1	Shipping agency
Evergreen Shipping Agency (Vietnam) Corp.	Jan. 01, 2003	FL 30, Pearl Plaza, 561A Dien Bien Phu Str., Ward 25, Binh Thanh Dist., HCMC, Vietnam	USD 1,120	Shipping agency

Company	Date Founded	Location	Capital	Main Business Activities
Evergreen Marine Crop. (Malaysia) SDN. BHD.	Jun. 24, 2000	NO.7, JALAN JURUTERA U1/23, SECTION U1, HICOM GLENMARIE INDUSTRIAL PARK, 40150 SHAH ALAM, SELANGOR DARUL EHSAN, MALAYSIA.	MYR 500	Shipping agency
Evergreen Shipping Agency (India) Pvt. Ltd.	Jan. 19, 2004	Marathon Nextgen Innova 'A' G-01, Opp. Peninsula Corporate Park, Off G. K. Marg, Lower Parel (W) , Mumbai - 400013, India	INR 1,000	Shipping agency
PT. Multi Bina Pura International	Sep. 10, 1992	Jl. Raya Cakung Cilincing, KM. 4 Jakarta Utara 14260, Indonesia	RP 39,760,500	Cargo loading and discharging, inland transportation
PT. Multi Bina Transport	Jan. 01, 1994	Jl. Raya Cakung Cilincing, KM. 4 Jakarta Utara 14260, Indonesia	RP 10,350,000	Repairs and cleaning of containers, inland transportation
Evergreen Argentina S.A.	Oct. 31, 1997	PJE. CARABELAS 344 (ZIP CODE:C1009AAD) BUENOS AIRES, ARGENTINA.	ARS 1,580	Leasing
Evergreen Shipping Agency (Thailand) Co., Ltd.	Feb. 14, 2001	3656/81, 24-25th Floor, Green Tower, Rama 4 Road, Klongton, Klongtoey, Bangkok 10110	THB 40,000	Shipping agency
Evergreen Heavy Industrial Corp (Malaysia) Berhad	Jun. 06, 1989	Lot 139, Jalan Cecair, Phase 2, Free Trade Zone, Johor Port Authority, 81700 Pasir Gudang, Johor, Malaysia	MYR 49,879	Container manufacturing
Armand Investment (Netherlands) N.V.	Dec. 29, 2000	Van Engelenweg 23, Curacao	USD 6	Investment holding company
Armand Estate B.V.	Apr. 18, 2000	Waalhaven Z.z. 19, Portcity II, 3089JH Rotterdam	EUR 20.42	Investment holding company
Evergreen Agency (South Africa) (Pty) Ltd.	Apr. 01, 2009	9B Riley Road, Bedfordview, Johannesburg 2007, South Africa	ZAR 10,000	Shipping agency
Evergreen Shipping Agency (Italy) S.p.A.	Nov. 09, 2005	Scali Cerere 9 - 57122 Livorno, Italy	EUR 2,000	Shipping agency

Company	Date Founded	Location	Capital	Main Business Activities
Evergreen Shipping Agency (Russia) Ltd.	sep. 01, 2005	Business Centre Atrium, 3rd floor, office 316-B No. 1/25 litera A, Kazanskaya Street Saint-Petersburg, 191186 Russia	RUB 6,000	Shipping agency
Evergreen Marine (UK) Limited	Apr. 30, 2001	160 Euston Road, London NW1 2DX,U.K.	GBP 1,500	Container shipping
Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	Nov. 23, 2006	NO.295, JI YUN EAST ROAD, TIANJIN PORT CONTAINER LOGISTICS CENTER,BINHAI NEW DISTRICT, TIANJIN, CHINA	USD 10,000,000	Loading, discharging, storage, repairs and cleaning of containers
Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd.	May. 22, 2007	2th FL, No. 2, Lane 1199, Minsheng RD., Pudong New Area, Shanghai, China ZIP code : 200135	USD 58,850	Management consultancy, self-owned property leasing
Ever Shine (Ningbo) Enterprise Management Consulting Co.,Ltd.	Apr. 05, 2016	32-6F, Global Shipping Plaza, No.269, Ningdong Road,Yinzhou District of Ningbo City	RMB 43,000	Management consultancy, self-owned property leasing
Ever Shine (Shenzhen) Enterprise Management Consulting Co., Ltd.	Mar. 27, 2008	16F, Golden Ccentury Building, NO.6033 Shennan Road, Futian District, Shenzhen	USD 8,800	Management consultancy, self-owned property leasing
Ever Shine (Qingdao) Enterprise Management Consulting Co., Ltd.	May. 15, 2008	NO.31 Donghai West Road, Qingdao, China	USD 7,300	Management consultancy, self-owned property leasing
Evergreen Shipping Agency (Cambodia) Co., Ltd.	Oct. 18, 2017	#292CD E2,street. Mao Tse Young (245) corner street. 205, Sangkat Tumnub Teuk, Khan Chamkarmorn, Phnom Penh, Cambodia.	KHR 800,000	Shipping agency
Evergreen Shipping Agency (Colombia) S.A.S.	May. 18, 2018	Calle 97 AN° 9A - 50 Piso 4to, Bogota, Colombia	COP 80,001	Shipping agency
Evergreen Shipping Agency (Peru) S.A.C.	Aug. 23, 2018	AV Javier Prado Este No. 480-488-492, Oficina 502 San Isidro, Lima, Peru Lima 27	PEN 1,500	Shipping agency

Company	Date Founded	Location	Capital	Main Business Activities
Evergreen Shipping Agency Mexico, S.A. De C.V.	May. 21, 2018	AV. BENJAMIN FRANKLIN, 204, PISO 1, ESCANDON, MIGUEL HIDALGO, 11800, CIUDAD DE MEXICO, MEXICO	MXN 7,400	Shipping agency
Evergreen Shipping Agency (Chile) SPA.	Oct. 01, 2018	Alcántara 200, of 501, Las Condes, Santiago, Chile	CLP 350,000	Shipping agency
Master International Shipping Agency Co., Ltd.	Jan. 31, 2005	16F, Golden Century Building, NO.6033 Shennan Road, Futian District, Shenzhen	RMB 5,000	Shipping agency

Note : The foreign exchange rates

USD : TWD=1:30.7535	1:30.1710	IDR : TWD=1:0.0021	1:0.0021	RMB : TWD=1: 4.4789	1:4.5545
MYR : TWD=1:7.3953	1:7.4694	GBP : TWD=1:38.9039	1:40.1851	EUR : TWD=1: 35.2112	1:35.6294
KRW : TWD=1:0.0275	1:0.0274	INR : TWD=1:0.4384	1:0.4406	ARS : TWD=1: 0.8028	1:1.0688
AUD : TWD=1:21.6528	1:22.5056	RUB : TWD=1:0.4410	1:0.4795	SGD : TWD=1: 22.4380	1:22.3472
THB : TWD=1:0.9474	1:0.9328	VND : TWD=1:0.0013	1:0.0013	ZAR : TWD=1: 2.1213	1:2.2711
PLN : TWD=1:8.1974	1:8.3394	CHF : TWD=1:31.1870	1:30.8025	PEN : TWD=1: 9.1273	1:9.0203
COP : TWD=1:0.0094	1:0.0096	MXN : TWD=1:1.5615	1:1.4949	CLP : TWD=1: 0.0441	1:0.0444
				HKD : TWD=1: 3.9255	1:3.8493

(3) The EMC's shareholders representing both the holding company and subordinates: None.

(4) The affiliates scope of labor and division of labor.

Among the overall affiliated companies are mostly in transportation service industry. These affiliated companies aims at increasing overall revenue through working in the worldwide transportation network. The companies operates supporting services to maximize performance and provide global customers with the best service.

(5) The Directors, Supervisors and President of Subsidiaries (As of DEC. 31, 2018)

Expressed in local currency

Country	Company	Director	President and Supervisor	Capital
United States	Whitney Equipment LLC.	Ko, Lee-Ching Wu, Kuang-Hui Kuo, Feng-Yi	CEO & President: Ko, Lee-Ching Secretary: Wu, Kuang-Hui Treasurer: Kuo, Feng-Yi	USD 200,000
	Everport Terminal Services Inc.	Wang, Jiing-Huei Lee, Mong-Jye Chang, Cheng-Yung	Chairman: Wang, Jiing-Huei President: George Lang Secretary: Chang, Cheng-Yung	USD 105,900
Curacao	Armand Investment (Netherlands) N.V.	Chang, Kuo-Cheng C.T.M. Corporation N.V.	Managing Director: Chang, Kuo-Cheng C.T.M. Corporation N.V.	USD 6,000
British Virgin Islands	Clove Holding Ltd.	Chang, Kuo-Cheng Chang, Cheng-Yung		USD 10,000
China	Kingtrans Intl. Logistics (Tianjin) Co., Ltd .	Chen, Kong-Ling Chang, Cheng-Yung Lian, Chung-Te Chang, Da-Chih Yu,Ming-Jiang	Chairman: Chen, Kong-Ling Vice Chairman: Yu,Ming-Jiang President: Chen, Ching-Wen Treasurer: Lin, Yuan-Cheng	USD 10,000,000
	Ever Shine (Ningbo) Enterprise Management Consulting Co., Ltd.	Chang, Cheng-Yung Lee, Mong-Jye Kou, Jin-Cheng	Chairman: Chang, Cheng-Yung President: Lee, Mong-Jye Treasurer: Ko, Lee-Ching	RMB 43,000,000
	Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd.	Chang, Cheng-Yung Lee, Mong-Jye Kou, Jin-Cheng	Chairman: Chang, Cheng-Yung President: Lee, Mong-Jye Treasurer: Ko, Lee-Ching	USD 58,850,000

Country	Company	Director	President and Supervisor	Capital
	Ever Shine (Shenzhen) Enterprise Management Consulting Co., Ltd.	Chang, Cheng-Yung Lee, Mong-Jye Kou, Jin-Cheng	Chairman: Chang, Cheng-Yung President: Lee, Mong-Jye Treasurer: Ko, Lee-Ching	USD 8,800,000
	Ever Shine (Qingdao) Enterprise Management Consulting Co., Ltd.	Chang, Cheng-Yung Lee, Mong-Jye Kou, Jin-Cheng	Chairman: Chang, Cheng-Yung President: Lee, Mong-Jye Treasurer: Ko, Lee-Ching	USD 7,300,000
	Master International Shipping Agency Co., Ltd.	Lo, Yu-Lin Chao, Chien-Hsin Lin, Yuan-Cheng Huang, Jian Chen, Honghui	Chairman: Lin, Yuan-Cheng Vice Chairman & President: Huang, Jian Treasurer: Wu, Kuang-Hui	RMB 5,000,000
Netherlands	Armand Estate B.V.	Chang, Kuo-Hua Huang, Sheng-Peng		EUR 20,420.11
Indonesia	PT. Multi Bina Pura International	Chang, Cheng-Yung Lee, Mong-Jye Wu, Mao-Lin Chan, Cheng-Chi M. F. Permadi	President Director: Chang, Cheng-Yung Managing Director: Wu, Mao-Lin Commissioner: Wu, Kuang-Hui Gunadi Widjaja	USD 6,000,000
	PT. Multi Bina Transport	Chang, Cheng-Yung Lee, Mong-Jye Wu, Mao-Lin Chan, Cheng-Chi M. F. Permadi	President Director: Chang, Cheng-Yung Commissioner: Gunadi Widjaya	IDR 10,350,000,000
Malaysia	Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Chang, Kuo-Cheng Chang, Cheng-Yung (Alternate Director: Wu, Kuang-Hui) Wang, Kuo-Chin Lee Ting-Ming Dato' Dr. Kenny Ong Kean Lee	Secretary: Yong May Li	MYR 49,878,735
	Evergreen Marine Corp. (Malaysia) SDN. BHD.	Chang, Kuo-Cheng Yen, Chia-Cheng Lin, Hung-Yu	Secretary: Wong Mei Ling	M$500,000

Country	Company	Director	President and Supervisor	Capital
Panama	Peony Investment S.A.	Chang, Kuo-Hua Chang, Cheng-Yung Wu, Kuang-Hui	President: Chang, Kuo-Hua Secretary: Chang, Cheng-Yung Treasurer: Wu, Kuang-Hui	USD 476,500,000
	Greencompass Marine S.A.	Chang, Cheng-Yung Lee, Mong-Jye Ko, Lee-Ching	President: Chang, Cheng-Yung Secretary: Lee, Mong-Jye Treasurer: Ko, Lee-Ching	USD 353,500,000
United Kingdom	Evergreen Marine (UK) Limited	Chang, Kuo-Cheng Chang, Da-Chih Maurice Storey	Honorary Chairman: Maurice Storey Chairman: Chang, Da-Chih President & Secretary: Chang, Da-Chih	GBP 1,500,000
Germany	Evergreen Shipping Agency (Europe) GmbH	Chang, Cheng-Yung Lee, Mong-Jye	Managing Director: Wei, Wei-der	EUR 61,335.03
South Korea	Evergreen Shipping Agency (Korea) Corporation	Chang, Cheng-Yung Lee, Mong-Jye Wu, Yaw-Hwang	Chairman: Wu, Yaw-Hwang President: Wu, Yaw-Hwang Statutory Auditor: Wu, Kuang-Hui	KRW 606,000,000
India	Evergreen Shipping Agency (India) Pvt. Ltd.	Chang, Cheng-Yung Chuang, Chao-Wei Lin, Hsin-Tsung	President: Chuang, Chao-Wei	INR 1,000,000
Argentina	Evergreen Argentina S.A.	Cheng, Ming-Feng Alternate Director: Alberto Servidio	Chairman: Cheng, Ming-Feng	ARS 1,580,000
Spain	Evergreen Shipping (Spain) S.L.	Chang, Cheng-Yung Lee, Mong-Jye Ko, Ching-Lin	President: Ko, Ching-Lin	EUR 600,000
Italy	Evergreen Shipping Agency (Italy) S.p.A.	Chang, Cheng-Yung Lee, Mong-Jye Cheng, Chi-Yi Pier Luigi Maneschi Antonio Maneschi	Chairman: Pier Luigi Maneschi President: Cheng, Chi-Yi Internal Statutroy Board: Mr. Massimo Quartarone (Chairman) Mr. Vinicio Ferracci (Auditor) Mr. Paolo Torracca (Auditor) Mr. Luca Paoletti (Alternate Auditor) Mr. Lorenzo Mamone (Alternate Auditor)	EUR 2,000,000

Country	Company	Director	President and Supervisor	Capital
Australia	Evergreen Shipping Agency (Australia) Pty. Ltd.	Chang, Cheng-Yung Hung, Tsu-Li	Chairman: Chang, Cheng-Yung President: Hung, Tsu-Li	AUD 1,000
Russia	Evergreen Shipping Agency (Russia) Ltd.	Chang, Cheng-Yung Lee, Mong-Jye Jen, Yi-Kang Komarov Alexander Ivanovitch Laitinen Jouni Olli-Pekka	President: Jen, Yi-Kang	RUB 6,000,000
Thailand	Evergreen Shipping Agency (Thailand) Co., Ltd.	Chang, Cheng-Yung Tsai, Wen-Jung Mr. Nivat Changariyavong		THB 40,000,000
South Africa	Evergreen Agency (South Africa) (Pty) Ltd.	Chang, Cheng-Yung Lee, Mong-Jye Tsai, Ming-Feng Hsieh, Huey-Chuan Chen, Chih-yi Chen, Lee-chun Moegamat Zain Davids		ZAR 10,000,000
Taiwan	Taiwan Terminal Services Corp. Ltd.	Chang, Yen-I Wu, Shann-Jen Chen Yih-Jong	President: Wu, Shann-Jen Supervisor: Wu, Kuang-Hui	TWD 100,000,000
Vietnam	Evergreen Shipping Agency (Vietnam) Corp.	Chang, Cheng-Yung Lee, Mong-Jye Lin, Chien-Nan	Chairman: Chang, Cheng-Yung President: Lin, Chien-Nan	USD 1,120,000
Hong Kong	Evergreen Marine (Hong Kong) Ltd.	Chang, Kuo-Hua Chang, Kuo-Cheng Chen, Kong-Ling Lo, Yu-Lin Lin, Yuan-Cheng	secretary: Chen, Kong-Ling	HKD 8,000,000
Chile	Evergreen Shipping Agency (Chile) SPA.	Chang, Cheng-Yung (Alternate Director: Yang, Chin-Chung) Lee, Mong-Jye (Alternate Director: Wu, Chung-En) Gabriel García Huidobro Morandé	General Manager: Yang, Chin-Chung	CLP 350,000,000

Country	Company	Director	President and Supervisor	Capital
Colombia	Evergreen Shipping Services (Colombia) S.A.S.		General Manager: Huang, Pao-Jen	CAPITAL- COP 80,001,000 PREMIUM- COP 999,999,000
Mexico	Evergreen Shipping Agency Mexico, S.A. De C.V.	Chang, Cheng-Yung (Alternate Director: Yang, Lii-Yueh) Lee, Mong-Jye (Alternate Director: Wang, Wen-Tai) Jesus Cutberto Parra Mendoza	General Manager: Yang, Lii-Yueh	MXN Peso 7,400,000
Peru	Evergreen Shipping Agency (Peru) S.A.C	Chang, Cheng-Yung (Alternate Director: Lin, Ching-Yi) Lee, Mong-Jye (Alternate Director: Shih,Cheng-Chuan) Moises Jose Woll Aste	General Manager: Lin, Ching-Yi	Peru Soles 1,500,000
Cambodia	Evergreen Shipping Services (Cambodia) Co., Ltd.	Chang, Cheng-Yung Lee, Mong-Jye Wang, I-Cheng	Chairman: Chang, Cheng-Yung	KHR 800,000,000

(6) The Operating Overviews of Subsidiaries (As of DEC. 31, 2018)

Unit: NT$ thousands

As of Dec. 31, 2018

Company	Capital	Total Assets	Total Liabilities	Total Equity	Operating Revenue	Operating Income (Loss)	Net Income (Loss)	Basic Earning (Loss) Per Share (NT$)
Peony Investment S. A.	14,654,043	28,901,137	8,211	28,892,926	(1,770,789)	(1,879,783)	(1,888,994)	(396)
Everport Terminal Services Inc.	3,257	5,077,455	3,809,014	1,268,441	13,381,484	900,244	553,979	523,115
Evergreen Marine (Hong Kong) Ltd.	31,404	25,110,508	20,386,889	4,723,619	10,720,384	1,352,095	979,323	122
Taiwan Terminal Services Corp. Ltd.	100,000	352,807	255,923	96,883	865,482	27,328	27,476	3
Clove Holding Ltd.	308	3,374,231	621,262	2,752,969	51,005	49,443	42,847	4,285
Whitney Equipment LLC.	6,151	784,891	591,949	192,943	224,864	55,624	23,716	0
Evergreen Shipping Agency (Europe) GmbH	2,160	2,323,374	2,024,215	299,158	1,301,876	23,685	17,957	0
Evergreen Shipping Agency (Korea) Corporation	16,643	354,922	306,065	48,857	150,680	16,809	12,772	105
Greencompass Marine S.A.	10,871,362	54,660,436	38,858,665	15,801,771	77,388,011	(1,790,138)	(1,334,891)	(378)
Evergreen Shipping (Spain) S.L.	21,127	555,365	318,985	236,380	586,966	199,822	151,681	25,280
Evergreen Shipping Agency (Australia) Pty. Ltd.	22	333,040	208,233	124,808	263,375	147,477	125,187	125,187
Evergreen Shipping Agency (Vietnam) Corp.	34,444	428,510	261,106	167,404	310,334	168,250	138,967	0
Evergreen Marine Corp. (Malaysia) SDN. BHD.	3,698	1,144,226	551,265	592,961	609,117	304,989	250,142	500

Company	Capital	Total Assets	Total Liabilities	Total Equity	Operating Revenue	Operating Income (Loss)	Net Income (Loss)	Basic Earning (Loss) Per Share (NT$)
Evergreen Shipping Agency (India) Pvt. Ltd.	438	439,619	297,050	142,569	178,738	62,665	45,819	458
PT. Multi Bina Pura International	83,497	592,227	63,129	529,099	262,081	134,829	114,147	6,386
PT. Multi Bina Transport	21,887	110,630	28,696	81,934	93,386	3,782	5,914	571
Evergreen Argentina S.A.	1,268	11,229	10,208	1,020	4,229	(287)	(7,407)	(47)
Evergreen Shipping Agency (Thailand) Co., Ltd.	37,897	685,949	562,147	123,802	294,665	96,607	78,830	99
Evergreen Heavy Industrial Corp. (Malaysia) Berhad	368,870	1,452,291	265,079	1,187,212	2,346,084	7,799	53,652	1
Armand Investment (Netherlands) N.V.	185	466,297	3,919	462,378	20,915	20,198	20,198	3,366
Armand Estate B.V.	719	475,046	8,787	466,259	22,811	20,915	20,915	464,768
Evergreen Agency (South Africa) (Pty) Ltd.	21,213	383,276	200,822	182,454	343,505	161,163	127,945	13
Evergreen Shipping Agency (Italy) S.p.A.	70,422	308,675	141,759	166,916	357,949	100,558	70,370	70,370
Evergreen Shipping Agency (Russia) Ltd.	2,646	74,456	37,188	37,268	136,570	86,423	73,185	0
Evergreen Marine (UK) Limited	58,356	46,368,001	43,369,180	2,998,821	50,304,493	(1,980,417)	(1,333,238)	(889)
Kingtrans International Logistics (Tianjin) Co., Ltd.	307,535	528,743	88,009	440,734	174,529	43,018	28,027	0

Company	Capital	Total Assets	Total Liabilities	Total Equity	Operating Revenue	Operating Income (Loss)	Net Income (Loss)	Basic Earning (Loss) Per Share (NT$)
Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd.	1,809,843	1,846,106	39,597	1,806,508	159,938	22,926	22,555	0
Ever Shine (Ningbo) Enterprise Management Consulting Co., Ltd.	192,593	256,333	63,704	192,630	14,185	2,267	(1,239)	0
Ever Shine (Shenzhen) Enterprise Management Consulting Co., Ltd.	270,631	348,026	79,573	268,453	25,574	6,961	2,813	0
Ever Shine (Qingdao) Enterprise Management Consulting Co., Ltd.	224,501	272,742	54,412	218,330	18,348	4,454	1,778	0
Evergreen Shipping Service (Cambodia) Co., Ltd.	6,122	32,733	20,358	12,376	64,191	17,526	6,107	20
Evergreen Shipping Agency (Colombia) S.A.S.	750	15,545	16,119	(574)	0	(10,546)	(10,981)	(137)
Evergreen Shipping Agency (Peru) S.A.C.	13,691	120,914	81,631	39,283	49,086	35,948	25,292	17
Evergreen Shipping Agency (Mexico) S.A. De. C.V.	11,555	233,625	215,992	17,633	118,999	10,895	5,819	79
Evergreen Shipping Agency (Chile) SPA.	15,438	211,449	182,954	28,496	48,653	17,988	13,135	5,254
Master International Shipping Agency Co., Ltd.	22,395	764,401	682,709	81,691	12,259,752	66,493	48,085	0

Financial Position	Income	Financial Position	Income	Financial Position	Income
USD : TWD=1:30.7535	1:30.1710	IDR : TWD=1:0.0021	1:0.0021	RMB : TWD=1: 4.4789	1:4.5545
MYR : TWD=1:7.3953	1:7.4694	GBP : TWD=1:38.9039	1:40.1851	EUR : TWD=1: 35.2112	1:35.6294
KRW : TWD=1:0.0275	1:0.0274	INR : TWD=1:0.4384	1:0.4406	ARS : TWD=1: 0.8028	1:1.0688
AUD : TWD=1:21.6528	1:22.5056	RUB : TWD=1:0.4410	1:0.4795	SGD : TWD=1: 22.4380	1:22.3472
THB : TWD=1:0.9474	1:0.9328	VND : TWD=1:0.0013	1:0.0013	ZAR : TWD=1: 2.1213	1:2.2711
PLN : TWD=1:8.1974	1:8.3394	CHF : TWD=1:31.1870	1:30.8025	PEN : TWD=1: 9.1273	1:9.0203
COP : TWD=1:0.0094	1:0.0096	MXN : TWD=1:1.5615	1:1.4949	CLP : TWD=1: 0.0441	1:0.0444
				HKD : TWD=1: 3.9255	1:3.8493

2. Consolidated Financial Statement of Subsidiaries

REPRESENTATION LETTER

In connection with the Consolidated Financial Statements of Affiliated Enterprises of EVERGREEN MARINE CORPORATION (TAIWAN) LTD. (the "Consolidated FS of the Affiliates"), we represent to you that, the entities required to be included in the Consolidated FS of the Affiliates as of and for the year ended December 31, 2018 in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those required to be included in the Consolidated Financial Statements of EVERGREEN MARINE CORPORATION (TAIWAN) LTD. and its subsidiaries (the "Consolidated FS of the Group") in accordance with International Financial Reporting Standard 10, as well as that, the information required to be disclosed in the Consolidated FS of Affiliates is disclosed in the Consolidated FS of the Group. Consequently, EVERGREEN MARINE CORPORATION (TAIWAN) LTD. does not prepare a separate set of Consolidated FS of Affiliates.

Very truly yours,

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
By

CHENG-YUNG CHANG, Chairman
March 22, 2019

3. Affiliated Companies Report: None.

II. Securities issuance through private placement: None.

III. Holdings and sale of shares by subsidiaries: None.

IV. Other necessary supplementary information: None.

V. Any events in 2018 and as of the date of this annual report had significant impacts on shareholders' right or security prices as stated in item 3 paragraph 2 of Article 36: None.